

CONTRACT #14
RFS # 317.01-17001
Edison # 11061

Finance and Administration
Enterprise Resource Planning
(ERP)

VENDOR:
N. Harris Computer Corp.



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
ENTERPRISE RESOURCE PLANNING DIVISION
312 ROSA PARKS AVENUE
NASHVILLE, TENNESSEE 37243
(615) 253-2978
FAX (615) 253-2980

LARRY B. MARTIN
COMMISSIONER

SANDY GRAF
DIRECTOR

MEMORANDUM

TO: Leni S. Chick, Contract and Audit Coordinator

FROM: Sandy Graf, Edison Director

DATE: April 15, 2016

SUBJECT: Summary Letter for N. Harris Computer Corp. Contract Amendment

Please find attached, for the Fiscal Review Committee's consideration, documentation of an Amendment request for Contract # 11061 (previously STARS Contract # FA-07-16894-00) with now N. Harris Computer Corp. As outlined in the Amendment documentation, the amendment extends the software agreement by outlining the specific costs for five years of software maintenance. At the outset of the ERP project, the sponsors anticipated that the investment in software would be a multi-year commitment and it would be cost prohibitive to re-implement another vendor's product after five years. The terms of this amendment are to continue ongoing technical support, maintenance, and software upgrades for the next five years.

The amendment adds funding to the maximum contract liability for ongoing software license and support as set forth in the contract implemented with Edison. This amendment also reduces the overall maximum liability of the contract by \$37,991.11 by eliminating travel dollars as well as unspent change order dollars added as part of the TRUST enhancements.

The Department of Finance and Administration respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

Please let me know if you need additional information. Thank you.

SG

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Sandy Strickland Blackwell	*Contact Phone:	615-253-2798		
*Presenter's name(s):	Sandy Graf				
Edison Contract Number: <i>(if applicable)</i>	11061	RFS Number: <i>(if applicable)</i>			
*Original or Proposed Contract Begin Date:	07/25/2006	*Current or Proposed End Date:	06/30/2016		
Current Request Amendment Number: <i>(if applicable)</i>	04				
Proposed Amendment Effective Date: <i>(if applicable)</i>	07/01/2016				
*Department Submitting:	Finance and Administration				
*Division:	Enterprise Resource Planning				
*Date Submitted:	04/15/2016				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	N. Harris Computer Corp				
*Current or Proposed Maximum Liability:	\$1,215,519.95				
*Estimated Total Spend for Commodities:					
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY: 2011	FY: 2012
\$310,889.00	\$199,322.00	\$50,450.00	\$52,980.00	\$55,620.00	\$109,251.79
FY: 2013	FY: 2014	FY: 2015	FY: 2016	FY:	FY:
\$109,251.79	\$109,251.79	\$109,251.79	\$109,251.79	\$	\$
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY: 2007	FY: 2008	FY: 2009	FY: 2010	FY: 2011	FY: 2012
\$305,760.00	\$77,750.00	\$86,000.00	\$95,780.00	\$62,748.00	\$84,500.00
FY: 2013	FY: 2014	FY: 2015	FY: 2016	FY	FY
\$79,388.40	\$159,496.29	\$1,800.00	\$84,316.15	\$	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			The yearly contract allocations above were an estimate.		
IF surplus funds have been carried			State funds were used from the Systems		

Supplemental Documentation Required for
Fiscal Review Committee

forward, please give the reasons and provide the authority for the carry forward provision:	Development fund, which all carry forward until spent. Interdepartmental funds are from an internal service fund which closes each year to fund balance.		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	Contract expenditures have not exceeded the contract maximum liability.		
*Contract Funding Source/Amount:			
State:	\$512,310.00	Federal:	
<i>Interdepartmental:</i>	\$703,209.95	<i>Other:</i>	
If “ <i>other</i> ” please define:			
If “ <i>interdepartmental</i> ” please define:		Agencies with users of the iNovah software are billed on a transactional basis as part of the monthly Edison billing cycle.	
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
Amendment 01 – October 2007		Added Provisions for TRUST enhancements	
Amendment 02 – July 2008		Changed Name	
Amendment 03 – July 2011		Extended Contract for Five Years	
Method of Original Award: <i>(if applicable)</i>		RFP 317.03-134 – Alternative Competitive Procurement	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		N/A – This contract was part of original ERP offering. This amendment covers ongoing technical support, maintenance, and any software upgrades.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		At the outset of the ERP project, the sponsors anticipated that the investment in software would be a multi-year commitment and it would be cost prohibitive to re-implement another vendor’s product after five years. The terms of this amendment are to continue ongoing technical support, maintenance, and software upgrades for the next five years.	

CONTRACT FA-07-16894 (#11061) AMENDMENT 4 - CONTRACT & SPEND SUMMARY

Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
Prior to FY 2016	\$512,310.00		\$618,893.80		\$1,131,203.80
2016	0		\$84,316.15		\$84,316.15
2017	0		\$77,168.27		\$77,168.27
2018	0		\$78,355.01		\$78,355.01
2019	0		\$79,558.35		\$79,558.35
2020	0		\$80,778.54		\$80,778.54
2021	0		\$82,015.82		\$82,015.82
TOTAL:	\$512,310.00		\$1,101,085.94		\$1,613,395.94

\$1,613,395.94

	Contract Summary Sheet	Actual Spend
2007	310,889.00	305,760.00
2008	199,322.00	77,750.00
2009	50,450.00	86,000.00
2010	52,980.00	95,780.00
2011	55,620.00	62,748.00
2012	109,251.79	84,500.00
2013	109,251.79	79,388.40
2014	109,251.79	159,496.29
2015	109,251.79	1,800.00
2016	109,251.79	84,316.15
	<u>1,215,519.95</u>	<u>1,037,538.84</u>

\$199,322 includes
\$151,272 amend
for Trust

Contract Spend

2007 Initial Software Payment 1	130,000.00
Initial Software Payment 2	130,000.00

	Maintenance	<u>45,760.00</u>	305,760.00	
2008	Maintenance	48,050.00		
	Installment on Trust Base Implementation	22,200.00		
	Installment on Trust Web Services Interface	<u>7,500.00</u>	77,750.00	
2009	Maintenance	50,450.00		
	Installment on Trust Base Implementation	22,200.00		
	Installment on Trust Web Services Interface	7,500.00		
	Change Order	<u>5,850.00</u>	86,000.00	Trust
2010	Maintenance	52,980.00		
	Installment on Trust Base Implementation	29,600.00		
	Installment on Trust Web Services Interface	10,000.00		
	Change Order	<u>3,200.00</u>	95,780.00	Trust
2011	Maintenance	55,620.00		
	Change Order	2,376.00		
	Change Order	<u>4,752.00</u>	62,748.00	
2012	Maintenance	73,700.00		
8/25/2011	Change Order	3,456.00		Trust
9/16/2011	Change Order	3,456.00		Trust
10/24/2011	Change Order	1,728.00		Trust
	Change Order	<u>2,160.00</u>	84,500.00	Safety
2013	Maintenance	76,058.40		
	Change Order	<u>3,330.00</u>	79,388.40	Safety
2014 and 2015	Maintenance	159,496.29		2015 Inadvertantly paid in May 2014; should have been July 2014
	Change Order	<u>-</u>	159,496.29	

2015 Maintenance	-		Maintenance paid in FY2014
Change Order	<u>1,800.00</u>	1,800.00	Commerce and Insurance
2016 Maintenance	83,596.15		
Change Order	<u>720.00</u>	<u>84,316.15</u>	Commerce and Insurance
		<u><u>1,037,538.84</u></u>	



STS Pre-Approval Endorsement Request E-Mail Transmittal

TO : Mark Rampey, STS Contracts
Department of Finance & Administration
E-mail : Mark.Rampey@tn.gov

FROM : Sandy Strickland Blackwell
E-mail : sandy.strickland@tn.gov

DATE : 03/15/2016

RE : Request for STS Pre-Approval Endorsement

Applicable RFS

STS Endorsement Signature & Date:

Chief Information Officer

NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.

Strategic Technology Solutions (STS) pre-approval endorsement is required pursuant to procurement regulations pertaining to contracts with information technology as a component of the scope of service. This request seeks to ensure that STS is aware of and has an opportunity to review the procurement detailed below and in the attached document(s). This requirement applies to any procurement method regardless of dollar amount.

Please indicate STS endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency	31701
Agency Contact (name, phone, e-mail)	Sandy Strickland Blackwell, 615-253-2798, sandy.strickland@tn.gov
Attachments Supporting Request (mark all applicable) Note: The complete draft procurement document and the applicable documents listed below must accompany this request when submitted to STS. Special Contract Requests and Amendment Requests without Agency Head signature are acceptable. STS is aware that these documents will not have CPO signature when submitted with this request.	
<input type="checkbox"/> Solicitation Document <input type="checkbox"/> Special Contract Request <input checked="" type="checkbox"/> Amendment Request <input type="checkbox"/> Proposed Contract/Grant or Amendment <input type="checkbox"/> Original Contract/Grant and Previous Amendments (if any)	

Applicable RFS #**Information Systems Plan (ISP) Project Applicability**

To avoid delay of STS pre-approval, the applicability of an ISP project to the procurement must be confirmed with agency IT staff prior to submitting this request to STS. If necessary, agency IT staff should contact STS Planning with questions concerning the need for an ISP project.

IT Director/Staff Name Confirming (required): Sandy Blackwell

Applicable – Approved ISP Project#

Not Applicable

Subject Information Technology Service Description

Provide a brief summary of the information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, *etc.* As applicable, identify the contract or solicitation sections related to the IT services.

Edison is amending the current contract (11061) for the cashiering software (iNovah) used in conjunction with the Enterprise Resource Planning software, PeopleSoft. The amendment is for an additional five years of ongoing technical support, maintenance and software upgrades.

Rule Exception Request

Use this document to request changes to Central Procurement Office templates, policies, or other procurement documents or to modify the "necessary contract clauses" identified in Tenn. Comp. R. & Reg. 0690-03-01-.17 ("CPO Rule 17"). Complete this document in conformity with CPO Rule 17, which is available [here](#). Send the completed document in PDF format to: Agsprs.Agsprs@tn.gov All Rule Exception Requests are subject to review and approval by the Chief Procurement Officer. Rule Exception Requests that propose to modify any of CPO Rule 17's necessary contract clauses shall be subject to review and approval by the Comptroller of the Treasury.

APPROVED
Kevin C. Bartels for
Michael F. Perry
Digitally signed by Kevin C. Bartels for Michael F. Perry
 DN: cn=Kevin C. Bartels for Michael F. Perry, o=CPO, ou, email=Kevin.C.Bartels@tn.gov, c=US
 Date: 2016.03.15 13:43:41 -0500

 CHIEF PROCUREMENT OFFICER

APPROVED


 COMPTROLLER OF THE TREASURY

Agency request tracking #	31701-17001
1. Procuring Agency	Finance and Administration
2. Edison contract ID #	11061
3. Contractor or Grantee	N Harris Computer Corp, Inc.
4. Contract's Effective Date	07/25/2006
5. Contract or grant contract's Term (with ALL options to extend exercised)	06/30/2021
6. Contract's Maximum Liability (with ALL options to extend exercised)	\$ 1,613,395.94
7. Citation and explanation of the rule(s) for which the exception is requested	Tenn. Comp. Rules & Regs, ch 0690-03-01-.14 (2.c). Contract Type; Term Contract-General Edison requests an exception to deviate from the 60 month contract term limitation.
8. Description of requested changes If adding new provisions or modifying existing provisions, insert the new or modified provisions in their entirety.	No new provisions are required for this Rule Exception Request.
9. Justification	Edison requests an exception to the 60 month contract term limitation for the N. Harris (iNovah) contract (11061) in order to continue ongoing licensing, technical support, maintenance, and software upgrades. This contract provides for the iNovah software which is used as the cashiering component of the State's ERP system, Edison. Exactly like Edison, the iNovah software is an enterprise offering and is used by all state agencies. Due to the breadth, depth, and scope of iNovah and the Edison application, continued use of the software and vendor technical support is needed. Continuing the vendor relationship for licensing, technical support,

Larry Martin FH 3/11/16

maintenance, and software upgrades is vital to Edison operations. Without licensing and ongoing support, the quality of service provided to employees, vendors, and citizens would be severely limited or even eliminated.

Signature of Agency head or designee and date

Amendment Request

This request form is not required for amendments to grant contracts. Route a completed request, as one file in PDF format, via e-mail attachment sent to: Agsprrs.Agsprsr@tn.gov

APPROVED	
CHIEF PROCUREMENT OFFICER	DATE

Agency request tracking #	31717-iNovah4	
1. Procuring Agency	31701	
2. Contractor	N Harris Computer Corp.	
3. Edison contract ID #	11061	
4. Proposed amendment #	4	
5. Contract's Effective Date	07/01/2016	
6. Current end date	06/30/2016	
7. Proposed end date	06/30/2021	
8. Current Maximum Liability or Estimated Liability	\$ 1,215,519.95	
9. Proposed Maximum Liability or Estimated Liability	\$ 1,619,419.50	
10. Office for Information Resources Pre-Approval Endorsement Request <i>- information technology service (N/A to THDA)</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
11. eHealth Pre-Approval Endorsement Request <i>- health-related professional, pharmaceutical, laboratory, or imaging</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
12. Human Resources Pre-Approval Endorsement Request <i>- state employee training service</i>	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Explain why the proposed amendment is needed	<p>iNovah is the software Edison uses to provide cashing capability to state agencies. This amendment is for the continuation of software maintenance and technical support for 5 years.</p>	
14. If the amendment involves a change in Scope, describe efforts to identify reasonable, competitive, procurement alternatives to amending the contract.		

Agency request tracking #

31717-iNovah4

Signature of Agency head or authorized designee, title of signatory, and date (the authorized designee may sign his or her own name if indicated on the Signature Certification and Authorization document)

Handwritten signature of Buddy Hea in cursive script.

2-16-16



CONTRACT AMENDMENT COVER SHEET

Agency Tracking # 31701-17001	Edison ID 11061	Contract # FA-07-16894	Amendment # 4		
Contractor Legal Entity Name N Harris Computer Corp, Inc.			Edison Vendor ID 0000097584		
Amendment Purpose & Effect(s) Enterprise Resource and Planning (ERP) software and support services. Amendment contract to add 5 years of Ongoing Technical Support.					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: For Edison Purposes 06/30/2021			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 397,875.99		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
Prior to FY 2016	\$512,310.00		\$618,893.80		\$1,131,203.80
2016			\$84,316.15		\$84,316.15
2017			\$77,168.27		\$77,168.27
2018			\$78,355.01		\$78,355.01
2019			\$79,558.35		\$79,558.35
2020			\$80,778.54		\$80,778.54
2021			\$82,015.82		\$82,015.82
TOTAL:	\$512,310.00		\$1,101,085.94		\$1,613,395.94
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>CPO USE</i>		
Speed Chart (optional) FA00000112		Account Code (optional) 72201000			

**AMENDMENT FOUR
OF CONTRACT FA-07-16894 (ED. # 11061)**

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "Licensee" and N. Harris, Computer Corp., Inc., hereinafter referred to as the "Software Provider". For good and valuable consideration, the sufficiency of which is hereby acknowledged, it is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. Contract section A.4.b is deleted in its entirety and replaced with the following:

A.4.b.i The Software Provider shall provide technical support to Licensee—via on-line interface and toll-free telephone number—for the Software ("Support"). Support shall be available Monday through Friday, excluding State holidays, between the hours of 7:00 AM and 7:00 PM Central Time. The personnel responding to these requests and providing this support shall be trained to enable them, in most cases, to address questions and solve problems themselves, without having to escalate the questions for response.

A.4.b.ii In addition to the technical support described in Section A.4.b.i above, the Software Provider shall also provide upgrade support to the Licensee based upon the Licensee's predetermined upgrade schedule and/or Licensee's determined need. The Licensee's upgrade schedule typically occurs on weekends and may or may not include State holidays. The Licensee agrees to provide the Software Provider with a written notice 10 business days prior to any upgrade event.

For compensation purposes, upgrade support shall be considered technical support and the Software Provider shall support upgrades at no additional cost to the Licensee.

The Software Provider personnel supporting the upgrade shall be trained to enable them, in most cases, to address questions and solve problems themselves.

2. Contract section A.9.g is deleted in its entirety and replaced with the following:

A.9.g The Licensee will provide Software Provider consultants with a working computer (desktop, laptop, etc.) and licenses for software installed on the device. Commensurate with the needs of a given project, the Licensee will provide Software Provider consultants with office and meeting space, access to telephones, printers, and copiers, and connections to the Internet and/or State network. The Licensee shall be the sole determinant with regard to facilities, supplies, access, and connections required for any given project.

3. Contract section C.1 is deleted in its entirety and replaced with the following:

C.1 Maximum Liability. In no event shall the maximum liability of the Licensee under this Contract exceed One Million, Six Hundred Thirteen Thousand, Three Hundred Ninety-Five Dollars and Ninety-Four Cents (\$1,613,395.94) ("Maximum Liability"). This Contract does not grant the Software Provider any exclusive rights. The Licensee does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Software Provider will only be paid for goods or services provided under this Contract after a purchase order is issued to Software Provider by the Licensee or as otherwise specified by this Contract.

4. Contract section C.2 is deleted in its entirety and replaced with the following:

C.2. Compensation Firm. The payment methodology in Section C.3. of this Contract shall constitute the entire compensation due the Software Provider for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required.

The payment methodology includes all applicable taxes, fees, overhead, and all other direct and indirect costs incurred or to be incurred by the Contractor.

5. Contract section C.3.a is deleted in its entirety and replaced with the following:

C.3.a License Fees.

Core Software	Amount
Finance, Procurement, Logistics Software	
Financial Management	\$ 260,000.00
Core Software License	\$ 260,000.00

Payment Number	Core Software Description	Est Pmt Mo	Payment Percentage	Payment Amount
1	Initial Software Installation, Payment Made to Software Vendor Based on Completed Vendor Baseline Test Suite	Jul-06	50%	\$130,000.00
2	Final Software Installation Payment	Jan-07	50%	\$130,000.00
3	Annual Ongoing Technical Support Fees, Years 1-9		100%	\$561,394.69
4	Annual Ongoing Technical Support Fees, Year 10	Jul-15	100%	\$83,596.15
4	Annual Ongoing Technical Support Fees, Year 11	Jul-16	100%	\$84,766.50
5	Annual Ongoing Technical Support Fees, Year 12	Jul-17	100%	\$85,953.23
6	Annual Ongoing Technical Support Fees, Year 13	Jul-18	100%	\$87,156.57
7	Annual Ongoing Technical Support Fees, Year 14	Jul-19	100%	\$88,376.76
8	Annual Ongoing Technical Support Fees, Year 15	Jul-20	100%	\$89,614.04
	Total Software and Ongoing License and Annual Maintenance			\$1,340,857.94

i. Additional interfaces were added to base software resulting in an increase in the baseline to the Annual Ongoing Software License Fees beginning in Year 6. This functionality includes custom interfaces for the Department of Revenue's TRUST system, Check 21, credit card processing interface and the Digimark interface for the Department of Safety. For Contract Years 6 through 10 in the table above, the Licensee and the Software Provider agreed to a three and two-tenths percent (3.2%) yearly increase in the Annual Ongoing Software License fee, using the Year 5 fee as the base to perform the subsequent year calculations, plus \$16,300 in maintenance for the interfaces outlined above.

- ii. For Contract Year 16 and for subsequent Contract Years, Software Provider agrees that any increases in Annual Ongoing Software License fees for the licensed software that the Software Provider may wish to make shall not be greater than the increase in the Consumer Price Index (CPI) over the twelve month period prior to the effective date of the desired increase. The Licensee and the Software Provider acknowledge that the sample period for determining the CPI percentage is subject to the necessary lead-time required to process the amendment documentation, as well as the customary delay in the publication of CPI data; the Licensee shall select a sample period that is as close as reasonably possible to the desired amendment effective date, given the aforementioned lead-time and delays. CPI as used herein means the U.S. Consumer Price Index for all Urban Consumers, U.S. City Average - All Items 1982-1984 = 100 Base for the applicable twelve (12) month period as published by the Bureau of Labor Statistics. Notwithstanding the foregoing, in any event Licensee shall only pay a License Fee equal to or less than the lowest License Fee being paid by any similarly situated licensee in any year during the Term.

6. Contract section C.4 is deleted in its entirety and replaced with the following:

C.4. Travel Compensation. The Contractor shall not be compensated or reimbursed for travel time, travel expenses, meals, or lodging.

7. Contract section D.2 is deleted in its entirety and replaced with the following:

D.2 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The Licensee:

Sandy Graf, Edison Project Director
Department of Finance and Administration, Enterprise Resource Planning Division
17th Floor, Snodgrass TN Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243
Telephone: 615-253-2978
FAX: 615-253-2980

The Software Provider:

Jeff Sumner, Executive Vice President
10550 Deerwood Park Blvd, Ste 700
Jacksonville, FL 32256
Telephone: 904-281-9090
FAX: 904-281-0075

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

8. The following is added as Contract Section D.13:

D.13 Patient Protection and Affordable Care Act. The Software Provider agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report

health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Software Provider shall indemnify the Licensee and hold it harmless for any costs to the Licensee arising from Software Provider's failure to fulfill its PPACA responsibilities for itself or its employees.

9. The following is added as Contract Section D.14:

D.14 Tennessee Department of Revenue Registration. The Software Provider shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

10. The following is added as Contract Section D.15:

D.15 Debarment and Suspension. The Software Providers certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

- a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;
- b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;
- c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and
- d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Software Provider shall provide immediate written notice to the Licensee if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

Required Approvals. The Licensee is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective July 1, 2016. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

N. HARRIS COMPUTER CORP., INC:

SIGNATURE

DATE

PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

LARRY B. MARTIN, COMMISSIONER

DATE



GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Sen. Bill Ketron, Chairman

Senators

Douglas Henry Reginald Tate
Brian Kelsey Ken Yager
Eric Stewart
Randy McNally, *ex officio*
Lt. Governor Ron Ramsey, *ex officio*

Rep. Curtis Johnson, Vice-Chairman

Representatives

Tommie Brown David Shepard
Jim Coley Tony Shipley
Charles Curtiss Curry Todd
Johnny Shaw Mark White
Charles Sargent, *ex officio*
Speaker Beth Harwell, *ex officio*

M E M O R A N D U M

TO: The Honorable Mark Emkes, Commissioner
 Department of Finance and Administration

FROM: Bill Ketron, Chairman, Fiscal Review Committee
 Curtis Johnson, Vice-Chairman, Fiscal Review Committee

DATE: July 13, 2011

SUBJECT: **Contract Comments**
 (Fiscal Review Committee Meeting 7/12/11)

BK CJ

RFS# 317.03-13407 (Edison # 11061)
Department: Finance & Administration/Enterprise Resource Planning
Vendor: N. Harris Computer Corp.
Summary: The vendor currently provides ongoing software support and maintenance to the cashiering software solution implemented with Edison. The proposed amendment increases maximum liability by \$546,259 to provide funding for year six through ten of the current contract.
Current maximum liability: \$669,261
Proposed maximum liability: \$1,215,520

After review, the Fiscal Review Committee voted to approve the contract amendment.

cc: Ms. Stephanie Dedmon, Director, Enterprise Resource Planning
 Ms. Jessica Robertson, Chief Procurement Officer
 Mr. Robert Barlow, Director, Office of Contracts Review



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
ENTERPRISE RESOURCE PLANNING DIVISION
312 ROSA PARKS AVENUE
NASHVILLE, TENNESSEE 37243
(615) 253-2725
FAX (615) 253-2980

MARK A. EMKES
COMMISSIONER

STEPHANIE DEDMON
DIRECTOR

MEMORANDUM

TO: Leni S. Chick, Fiscal Analyst, Fiscal Review Committee

FROM: Stephanie Dedmon, Edison Director 

DATE: June 27, 2011

SUBJECT: Summary Letter for N. Harris Computer Corp., Inc. Contract Amendment

This memo is to request a contract amendment for Contract # 11061 (STARS Contract # FA-07-16894-02) with N. Harris Computer Corp., Inc. As outlined in the Request for Non-Competitive Amendment documentation, the amendment extends the perpetual software agreement by outlining the specific costs for years six through ten for software maintenance. The amendment adds funding to the maximum contract liability for ongoing software enhancements, technical support, bug fixes and patches to the cashiering software solution implemented with Edison. The amendment also adds funding to the agreement for technical resource support, if needed, for software enhancements specific to the State of Tennessee.

Please let me know if you need additional information. Thank you.

SD



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
ENTERPRISE RESOURCE PLANNING DIVISION
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MARK A. EMKES
COMMISSIONER

STEPHANIE DEDMON
DIRECTOR

MEMORANDUM

TO: Robert Barlow, Office of Contracts Review

FROM: Stephanie Dedmon, Edison Project Director *SD*

DATE: June 27, 2011

SUBJECT: Justification for N. Harris Contract Amendment Effective Date – Less than 60 Days

This memo is to provide justification for the requested contract amendment effective date for Contract #11061 (STARS Contract # FA-07-16894-01) with N. Harris, Inc. As outlined in the Request for Non-Competitive Amendment documentation, the amendment adds funding for years six through ten of annual software support. We request the amendment be effective upon final approval to enable us to continue to receive vendor software support without interruption or delay. This request is not within the requested 60 day time frame because vendor negotiations on the support renewal took longer than expected. The software vendor is not accustomed to a five-year renewal but we were able to negotiate better pricing in the best interest of the State.

Please let me know if you need additional information. Thank you.

SD

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Stephanie Dedmon		*Contact Phone:	615-253-2725	
*Original Contract Number:	FA-07-16894-01		*Original RFS Number:	317.03-134-07	
Edison Contract Number: <i>(if applicable)</i>	11061		Edison RFS Number: <i>(if applicable)</i>		
*Original Contract Begin Date:	07/25/2006		*Current End Date:	06/30/2011 PERPETUAL	
Current Request Amendment Number: <i>(if applicable)</i>	03				
Proposed Amendment Effective Date: <i>(if applicable)</i>	Upon Final Approval				
*Department Submitting:	Finance & Administration				
*Division:	Enterprise Resource Planning				
*Date Submitted:	6/27/2011				
*Submitted Within Sixty (60) days:	No				
<i>If not, explain:</i>	Required unplanned vendor negotiations				
*Contract Vendor Name:	N. Harris Computer Corp.				
*Current Maximum Liability:	\$669,261.00				
*Current Contract Allocation by Fiscal Year: <i>(as Shown on Most Current Fully Executed Contract Summary Sheet)</i>					
FY: 2007	FY:2008	FY:2009	FY:2010	FY2011	FY
\$310,889.00	\$199,332.00	\$50,450.00	\$52,980.00	\$55,620.00	\$
*Current Total Expenditures by Fiscal Year of Contract: <i>(attach backup documentation from STARS or FDAS report)</i>					
FY:2007	FY:2008	FY:2009	FY:2010	FY2011	FY
\$305,760.00	\$77,750.00	\$86,000.00	\$95,780.00	\$62,748.00	\$
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:			The yearly contract allocations above were an estimate.		
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:			N/A		
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:			Contract expenditures have not exceeded the contract maximum liability.		
*Contract Funding	State:	\$1,215,519.95	Federal:		

Supplemental Documentation Required for
Fiscal Review Committee

Source/Amount:			
Interdepartmental:		<i>Other:</i>	
If "other" please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
01 – 11/07/2007		Build Custom Cashiering Interface with TRUST	
02 – 08/13/2008		Name Change to N. Harris Computer Corp.	
Method of Original Award: <i>(if applicable)</i>		RFP 317.03-134 - Alternative	
*What were the projected costs of the service for the entire term of the contract prior to contract award?		N/A	

Supplemental Documentation Required for Fiscal Review Committee

For all new non-competitive contracts and any contract amendment that changes Sections A or C.3. of the original or previously amended contract document, provide estimates based on information provided the Department by the vendor for determination of contract maximum liability. Add rows as necessary to provide all information requested.

If it is determined that the question is not applicable to your contract document attach detailed explanation as to why that determination was made.

Planned expenditures by fiscal year by deliverable. Add rows as necessary to indicate all estimated contract expenditures.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
--------------------------	-----	-----	-----	-----	-----

See attached Contract Amendment section C.3.a for the planned expenditures by fiscal year.

Proposed savings to be realized per fiscal year by entering into this contract. If amendment to an existing contract, please indicate the proposed savings to be realized by the amendment. Add rows as necessary to define all potential savings per deliverable.

Deliverable description:	FY:	FY:	FY:	FY:	FY:
--------------------------	-----	-----	-----	-----	-----

There are intangible benefits of the cashiering software implementation with improved productivity and efficiency in support of cash management.

Comparison of cost per fiscal year of obtaining this service through the proposed contract or amendment vs. other options. List other options available (including other vendors), cost of other options, and source of information for comparison of other options (e.g. catalog, Web site). Add rows as necessary to indicate price differentials between contract deliverables.

Proposed Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:
Other Vendor Cost: (name of vendor)	FY:	FY:	FY:	FY:	FY:

At the outset of the ERP project, the sponsors anticipated that the investment in software would be a multi-year commitment and it would be cost prohibitive to re-implement another vendor's products after five years. The original contract was perpetual for this reason.

STATE OF TENNESSEE
 STATEWIDE ACCOUNTING AND REPORTING SYSTEM
 SPENDING/RECEIPT PLAN YTD STATUS REPORT
 ACCOUNTING DATE 06/30/07

REPORT-ID: AG05B820-01
 02/25/08 (20:41) PY

FUND 15 SYSTEM DEVELOPMENT FUND
 DEPARTMENT 317 DEPARTMENT OF FINANCE AND ADMINISTRATION
 DIVISION 30 MANAGEMENT INFORMATION SYSTEMS
 COST CENTER SYISL EDISON SYSTEM INNOVATORS - SOF

OBJECT/ AGY OBJ	DESCRIPTION	SPENDING PLAN	EXPENDITURES PERIOD TO DATE	COMMITMENTS OBLIGATIONS	TOTAL YTD COMMITMENTS	UNENCUMBERED BALANCE	PRIOR YEAR EXP PERIOD TO DATE
083	CONSULTING SERV	0.00	305,760.00	0.00	305,760.00	305,760.00-	0.00
08	PROFESSIONAL AN	0.00	305,760.00	0.00	305,760.00	305,760.00-	0.00
TOTAL OTHER THAN PERSONAL		0.00	305,760.00	0.00	305,760.00	305,760.00-	0.00
TOTAL COMMITMENTS		0.00	305,760.00	0.00	305,760.00	305,760.00-	0.00

FUND 15 SYSTEM DEVELOPMENT FUND
 DEPARTMENT 317 DEPARTMENT OF FINANCE AND ADMINISTRATION
 DIVISION 30 MANAGEMENT INFORMATION SYSTEMS
 COST CENTER SYISL EDISON SYSTEM INNOVATORS - SOF

OBJECT/ AGY OBJ	DESCRIPTION	SPENDING PLAN	EXPENDITURES PERIOD TO DATE	COMMITMENTS OBLIGATIONS	TOTAL YTD COMMITMENTS	UNENCUMBERED BALANCE	PRIOR YEAR EXP PERIOD TO DATE
O83	CONSULTING SERV	0.00	77,750.00	0.00	77,750.00	77,750.00--	0.00
O8	PROFESSIONAL AN	0.00	77,750.00	0.00	77,750.00	77,750.00--	0.00
TOTAL OTHER THAN PERSONAL		0.00	77,750.00	0.00	77,750.00	77,750.00--	0.00
TOTAL COMMITMENTS		0.00	77,750.00	0.00	77,750.00	77,750.00--	0.00

SOURCE/ AGY SRC	DESCRIPTION	RECEIPT PLAN	REVENUES COLLECTIONS	OVER/ (UNDER)
890		0.00	29,700.00	29,700.00
890	INTERDEPARTMENTAL	0.00	29,700.00	29,700.00
TOTAL REVENUE		0.00	29,700.00	29,700.00

FUND 15 SYSTEM DEVELOPMENT FUND
 DEPARTMENT 317 DEPARTMENT OF FINANCE AND ADMINISTRATION
 DIVISION 30 MANAGEMENT INFORMATION SYSTEMS
 COST CENTER SYISL EDISON SYSTEM INNOVATORS - SOF

OBJECT/ AGY OBJ	DESCRIPTION	SPENDING PLAN	EXPENDITURES PERIOD TO DATE	COMMITMENTS OBLIGATIONS	TOTAL YTD COMMITMENTS	UNENCUMBERED BALANCE	PRIOR YEAR EXP PERIOD TO DATE
083	CONSULTING SERV	0.00	86,000.00	0.00	86,000.00	86,000.00-	0.00
08	PROFESSIONAL AN	0.00	86,000.00	0.00	86,000.00	86,000.00-	0.00
	TOTAL OTHER THAN PERSONAL	0.00	86,000.00	0.00	86,000.00	86,000.00-	0.00
	TOTAL COMMITMENTS	0.00	86,000.00	0.00	86,000.00	86,000.00-	0.00

SOURCE/ AGY SRC	DESCRIPTION	RECEIPT PLAN	REVENUES COLLECTIONS	OVER/ (UNDER)
890		0.00	35,550.00	35,550.00
890	INTERDEPARTMENTAL	0.00	35,550.00	35,550.00
	TOTAL REVENUE	0.00	35,550.00	35,550.00

04/18/11 (07:37) PY

FUND 15 SYSTEM DEVELOPMENT FUND
 DEPARTMENT 317 DEPARTMENT OF FINANCE AND ADMI
 DIVISION 30 MANAGEMENT INFORMATION SYSTEMS
 COST CENTER SYISL EDISON SYSTEM INNOVATORS - SOF

OBJECT/ AGY OBJ	DESCRIPTION	SPENDING PLAN	EXPENDITURES PERIOD TO DATE	COMMITMENTS OBLIGATIONS	TOTAL YTD COMMITMENTS	UNENCUMBERED BALANCE	PRIOR YEAR EXP PERIOD TO DATE
083	CONSULTING SERV	0.00	42,800.00	0.00	42,800.00	42,800.00-	0.00
08	PROFESSIONAL AN	0.00	42,800.00	0.00	42,800.00	42,800.00-	0.00
	TOTAL OTHER THAN PERSONAL	0.00	42,800.00	0.00	42,800.00	42,800.00-	0.00
	TOTAL COMMITMENTS	0.00	42,800.00	0.00	42,800.00	42,800.00-	0.00

SOURCE/ AGY SRC	DESCRIPTION	RECEIPT PLAN	REVENUES COLLECTIONS	OVER/ (UNDER)
890		0.00	42,800.00	42,800.00
890	INTERDEPARTMENTAL	0.00	42,800.00	42,800.00
	TOTAL REVENUE	0.00	42,800.00	42,800.00

Non-Competitive Amendment Request

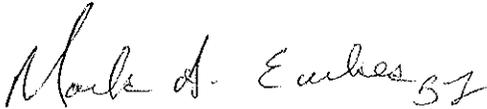
NOT required for a contract with a federal, Tennessee, or Tennessee local government entity or a grant.

Route a completed request, as one file in PDF format, via e-mail attachment sent to: Aggsprs.Agsprs@state.tn.us

APPROVED

COMMISSIONER OF FINANCE & ADMINISTRATION

Request Tracking #	RFS 317.03-134-07	
1. Procuring Agency	Finance & Administration	
2. Contractor	N. Harris Computer Corp., Inc.	
3. Contract #	FA-07-16894	
4. Proposed Amendment #	03	
5. Edison ID #	11061	
6. Contract Begin Date	Upon Final Approval	
7. Current Contract End Date – with ALL options to extend exercised	Perpetual	
8. Proposed Contract End Date – with ALL options to extend exercised	Perpetual	
9. Current Maximum Contract Cost – with ALL options to extend exercised	\$ 669,261.00	
10. Proposed Maximum Contract Cost – with ALL options to extend exercised	\$ 1,215,519.95	
11. Office for Information Resources Endorsement – information technology service (N/A to THDA)	<input type="checkbox"/> Not Applicable <input checked="" type="checkbox"/> Attached	
12. eHealth Initiative Support – health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
13. Human Resources Support – state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached	
14. Explanation Need for the Proposed Amendment	<p>This amendment adds funding for continued software vendor support (annual maintenance) for five years (years 6 through 10) in support of the cashiering solution which is fully integrated to PeopleSoft.</p>	

Request Tracking #	RFS 317.03-134-07
<p>15. Name & Address of the Contractor's Principal Owner(s) <i>– NOT required for a TN state education institution</i></p> <p>Jim Simak, General Manager N. Harris Computer Corp., Inc. 10550 Deerwood Park Blvd, Suite 700 Jacksonville, FL 32256</p>	
<p>16. Evidence Contractor's Experience & Length Of Experience Providing the Service</p> <p>The contractor has sufficient experience in providing software support as evidenced in our five year relationship and with other state and local government entities.</p>	
<p>17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives</p> <p>The original suite of Edison software products was competitively bid.</p>	
<p>18. Justification <i>– specifically explain why non-competitive negotiation is in the best interest of the state</i></p> <p>At the time of the competitive procurement for Enterprise Resource Planning software, the State anticipated a multi-year relationship with the awarded software providers. A significant investment in State resources has been made to configure, test, implement and train on the existing software solution. It is in the best interest of the State to continue this investment with annual software support which enables the State to continue to receive software updates, enhancements, bug fixes and support for this software solution.</p>	
<p>Agency Head Signature and Date <i>– MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented exigent circumstances</i></p> <p></p>	



OIR Pre-Approval Endorsement Request E-Mail Transmittal

TO : Jane Chittenden, OIR Procurement & Contract Management Director
Department of Finance & Administration
E-mail : Jane.Chittenden@tn.gov

FROM : Stephanie Dedmon
E-mail : Stephanie.dedmon@tn.gov

DATE : June 27, 2011

RE : Request for OIR Pre-Approval Endorsement

Applicable RFS # 31703-13407

OIR Endorsement Signature & Date:

Mark Bengel (pc)
Chief Information Officer

6/27/11

NOTE: Proposed contract/grant support is applicable to the subject IT service technical merit.

Office for Information Resources (OIR) pre-approval endorsement appears to be required pursuant to professional service contracting regulations pertaining to procurements with information technology as a component of the scope of service. This request seeks to ensure that OIR is aware of and has an opportunity to review the procurement detailed below and in the attached documents.

Please document OIR endorsement of the described procurement (with the appropriate signature above), and return this document via e-mail at your earliest convenience.

Contracting Agency	Finance and Administration
Agency Contact (name, phone, e-mail)	Stephanie Dedmon, 253-2725, stephanie.dedmon@tn.gov
Subject Procurement Document (mark one)	
<input type="checkbox"/> RFP	<input type="checkbox"/> Contract
<input type="checkbox"/> Competitive Negotiation Request	<input type="checkbox"/> Contract Amendment
<input type="checkbox"/> Alternative Procurement Method Request	<input type="checkbox"/> Grant
<input type="checkbox"/> Non-Competitive Contract Request	<input type="checkbox"/> Grant Amendment
<input checked="" type="checkbox"/> Non-Competitive Amendment Request	
Information Systems Plan (ISP) Project Applicability	
<input checked="" type="checkbox"/> Not Applicable to this Request	
<input type="checkbox"/> Applicable- ISP Project#	
Response Confirmed by IT Director/Staff (name): Jane Chittenden	

Applicable RFS # 31703-13407

Required Attachments (as applicable – copies without signatures acceptable)

- RFP, Competitive Negotiation Request, Alternative Procurement Method Request, Non-Competitive Contract Request, Non-Competitive Amendment Request
- Original Contract/Grant or Amendment
- Proposed Contract/Grant or Amendment

Subject Information Technology Service Description

(Brief summary of information technology services involved. Clearly identify included technologies such as system development/maintenance, security, networking, etc. As applicable, identify the contract & solicitation sections related to the IT services.)

Enterprise Resource Planning (ERP) System, known as Edison. Software provided by N. Harris Computer Corp., Inc.: Finance, Procurement, and Logistics software and support services.



CONTRACT AMENDMENT

Agency Tracking # 31701-17001	Edison ID 11061	Contract # FA-07-16894	Amendment # 3		
Contractor Legal Entity Name N. Harris Computer Corp.			Edison Vendor ID 97584		
Amendment Purpose & Effect(s) Enterprise Resource Planning (ERP) software and support services. Amendment adds consulting services and 5 years of Ongoing Technical Support.					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: Perpetual			
Amount of the TOTAL Contract Amount INCREASE or DECREASE per this Amendment: 546,258.95 541,703.65					
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$310,889.00				\$310,889.00
2008	\$199,322.00				\$199,322.00
2009	\$50,450.00				\$50,450.00
2010	\$52,980.00				\$52,980.00
2011	\$55,620.00				\$55,620.00
2012	\$109,251.79				\$109,251.79
2013	\$109,251.79				\$109,251.79
2014	\$109,251.79				\$109,251.79
2015	\$109,251.79				\$109,251.79
2016	\$109,251.79				\$109,251.79
TOTAL:	\$1,215,519.95				\$1,215,519.95
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			<i>OCR USE</i> FA0716894-03		
Speed Chart (optional) FA00000112		Account Code (optional) 72201000			



**AMENDMENT THREE
OF CONTRACT FA-07-16894 (ED. # 11061)**

This Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "Licensee" and N. Harris Computer Corp., Inc., hereinafter referred to as the "Software Provider." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended as follows:

1. The following is added as contract section A.9:

A.9. Consulting Services.

- a. The Software Provider shall perform technical consulting services as requested by the Licensee relative to its implementation of the Software Provider's software. Services shall be provided by consulting personnel with in-depth knowledge of the Software Provider's software as implemented in the public sector. Specifically, such services could include the following:
 - i. Review and provide input and/or recommendations for improvement regarding the state's business processes and Enterprise Resource Planning (ERP) system implementation relating to specific iNovah modules and integration to PeopleSoft.
 - ii. Provide consulting expertise with error identification and correction, assistance with reconciliation processes, expertise and guidance on business processes and project management in order to more efficiently use iNovah and its integration to PeopleSoft in support of core administrative business processes;
 - iii. Provide consulting expertise and resources supporting the implementation and best practices of specific tools or future upgrades of iNovah.
 - iv. Provide, at the State's request, additional technical consulting services to the State, in support of tasks that are within the general scope of this Contract, but are not outlined specifically.
- b. Depending upon the requirements of each specific project, the Software Provider must be prepared to provide Consultants with the relevant types and levels of experience for the task(s) in question. Regardless of the type/level of experience required, the Software Provider shall invoice the State using a single "composite" hourly rate, which is detailed in Contract Section C.3.i.
- c. The State shall compensate the Software Provider for travel expenses associated with consulting services in accordance with Contract Section C.4.
- d. The specific roles and responsibilities of Software Provider consultants shall be as defined in the Contract and future Statements of Work (SOWs).
- e. The SOW will specify the work location(s) of Software Provider consultants. Software Provider consultants shall be based on-site and perform their work at State-operated, maintained, and managed facilities in Nashville, Tennessee, or Software Provider consultants shall be based off-site and perform their work at a Software Provider location. The State reserves the right to request on-site or off-site work, whichever is deemed to be in the best interest of the project.
- f. Standard State work schedules are based on a Monday through Friday thirty seven and one-half (37.5) hour workweek, typically comprised of five (5) seven and one-half (7.5) hour workdays, between the hours of 8:00 a.m. CST and 4:30 p.m. CST, excluding State holidays. Unless specific times are designated in the SOW, work performed under this Contract may occur during the standard State



work schedule, on weekends, on State holidays, and/or at off-hours Monday through Friday. Software Provider consultants will be compensated at the payment rate in Contract Section C.3.i, regardless of the day, date, or time the tasks are performed or the total number of hours worked during a workweek.

- g. Software Provider consultants must provide their own personal computing devices (desktop, laptop, etc.) and licenses for software installed on the devices. Commensurate with the needs of a given project, the State will provide Software Provider consultants with office and meeting space, access to telephones, printers, and copiers, and connections to the Internet and/or State network. The State shall be the sole determinant with regard to facilities, supplies, access, and connections required for any given project.
- h. The Software Provider understands and agrees that the State may execute contracts with other parties for services the same as or similar to those described herein.
- i. The State cannot predict the numbers of Software Provider consultants that will be required under this Contract. Therefore, the State makes no guarantees, either stated or implied, about the demand for resources provided through this procurement. The State is not obligated to use any of the Software Provider's consultants. Throughout the term of the Contract, the State retains full control and flexibility with regard to the types, quantities, and timing of Software Provider consultant usage.

2. The following is added as contract section A.10:

A.10. Procedures/Stipulations for Providing Consultants.

a. Statement of Work.

The State will provide the Software Provider with an SOW describing the requested services, including as follows.

- i. Project number, which will be used to track the services through completion;
- ii. Description and scope of the requested services;
- iii. Requested project timeframe and any non-standard work schedule tasks;
- iv. Deliverable(s);
- v. Work location;
- vi. State Project Coordinator; and
- vii. Deadline for the Software Provider to respond to the State's request (i.e., response period), which will be no more than ten (10) business days measured from the date the SOW was distributed.

b. Submission of Project Proposal.

The Software Provider may seek written or verbal clarifications regarding the SOW during the response period. If deemed necessary by the State, the SOW may be modified to clarify its intent and to adjust the response period accordingly.

Within the requested response period, the Software Provider will respond to the SOW with a Project Proposal that includes the following:

- i. Project number from the SOW;



- ii. Software Provider understanding of the work to be performed;
- iii. Workplan, including a project timeframe, tasks, and resource loading;
- iv. Staffing plan, specifying the hours required for each Consultant;
- v. Maximum project consultant cost, which the Software Provider shall calculate by using the composite payment rate per hour set forth in Section C.3.i. This maximum project consultant cost shall be a "not to exceed" total cost; the State shall pay no more than this cost for consultant expenses for the project, unless amended in the resulting MOU as described in Contract Section A.10.d;
- vi. Any Software Provider assumptions on which the Project Proposal is based. These assumptions cannot conflict with the terms and provisions of the Contract. In the event of a conflict, the Contract will prevail; and
- vii. The State has the sole discretion to accept the Software Provider's Project Proposal, request modifications to the Software Provider's Project Proposal, or to reject the Software Provider's Project Proposal in its entirety.

c. Memorandum of Understanding.

After the State has approved the Project Proposal, it will develop, using a State-approved MOU format, a Memorandum of Understanding (MOU), which the Software Provider must sign to bind the Software Provider to its Project Proposal for the associated SOW.

The State will provide a copy of the fully executed MOU, containing signatures from the Office for Information Resources and the Software Provider, to the Software Provider. Receipt of a fully executed MOU authorizes the Software Provider to provide the requested services and the Software Provider consultants to begin work. The State will not be liable to pay the Software Provider for any work performed prior to the Software Provider's receipt of a fully executed MOU.

d. Memorandum of Understanding Tracking and Amendment.

The MOU will fix the maximum amount of money to be paid in compensation on a particular SOW. This amount cannot be exceeded without an MOU amendment. Such an amendment, if deemed necessary by the State, would increase the maximum potential compensation due the Software Provider for the requested services. The Amendment will require the same signatures as the original MOU.

For each MOU, the Software Provider will track the expenditures against the MOU Maximum Compensation, and will inform the State when expenditures are nearing the cap. If insufficient funds are remaining in the amount to complete the project, the Software Provider will provide the State with a revised Project Proposal for completion of the project. The revised Project Proposal will include the same information requested in the original Project Proposal (see Contract Section A.10.b.), updated as needed to complete the project. It must also detail the reason(s) additional funds are required. The State, at its sole option, will either amend the MOU Maximum Compensation to accommodate completion of the project, in part or in whole, or direct the Software Provider to cease work on the project.

3. The following is added as contract section A.11:

A.11. Software Provider Consultant Performance and Replacement.



- a. The Software Provider shall select the Consultants to perform the services requested in the SOW. The State shall be the sole judge of the quality of services provided and the project progress achieved by the Software Provider's consultants. The Software Provider agrees to remove and replace at the Software Provider's expense, consultants whom the State judges to be incompetent, careless, unsuitable or otherwise objectionable, or whose continued use is deemed contrary to the best interests of the State or deemed not to make substantial contributions to the project. The Software Provider agrees not to charge the State for services performed which the State designates as being unacceptable.

This provision will not be deemed to give the State the right to require the Software Provider to terminate any Software Provider employee's employment. Rather, this provision is intended to give the State only the right to require that the Software Provider discontinue using an employee in the performance of services for the State.

- b. At the State's request, the Software Provider will replace an individual that has voluntarily withdrawn or that the Software Provider has voluntarily removed from State assignment. Any requirement for such replacement will be at the State's sole discretion; the State is not obligated to accept replacement of removed or withdrawn consultants. The State will compensate the Software Provider for acceptable services completed by the consultant prior to voluntary withdrawal or removal.
- c. If the State requests a replacement as described in Contract Sections A.11.a and A.11.b, the Software Provider will replace the consultant with a consultant of equal or greater years experience as the consultant proposed in the associated Project Proposal for the MOU. The Software Provider will be compensated for the replacement consultant at the rate established for the original consultant.
- d. The termination of an individual consultant's assignment will not necessarily result in the termination of the MOU related to that consultant.

4. Contract section C.1 is deleted in its entirety and replaced with the following:

- C.1. Maximum Liability. In no event shall the maximum liability of Licensee under this Contract exceed One Million, Two Hundred Fifteen Thousand, Five Hundred Nineteen Dollars and Ninety-Five Cents (\$1,215,519.95) (the "Value of the Contract"). The payment rates in Section C.3 and the Travel Compensation provided in Section C.4 shall constitute the entire compensation due the Software Provider for the Service and all of the Software Provider's obligations hereunder regardless of the difficulty, materials or equipment required. The License Fees include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Software Provider.

The Software Provider is not entitled to be paid the maximum liability for any period under the Contract or any extensions of the Contract for work not requested by the State. The maximum liability represents available funds for payment to the Software Provider and does not guarantee payment of any such funds to the Software Provider under this Contract unless the State requests work and the Software Provider performs said work. In which case, the Software Provider shall be paid in accordance with the License Fees detailed in section C.3. The State is under no obligation to request work from the Software Provider in any specific dollar amounts or to request any work at all from the Software Provider during any period of this Contract.

5. Contract section C.3.a is deleted in its entirety and replaced with the following:

- C.3.a. License Fees.



Core Software	Amount
Finance, Procurement, Logistics Software	
Financial Management	\$ 260,000.00
Core Software License	\$ 260,000.00

Payment Number	Core Software Description	Est Pmt Mo	Payment Percentage	Payment Amount
1	Initial Software Installation, Payment Made to Software Vendor Based on Completed Vendor Baseline Test Suite	Jul-06	50%	\$ 130,000.00
2	Final Software Installation Payment	Jan-07	50%	\$ 130,000.00
3	Annual Ongoing Technical Support Fees, Year 1	Jul-06	100%	\$ 45,760.00
4	Annual Ongoing Technical Support Fees, Year 2	Jul-07	100%	\$ 48,050.00
5	Annual Ongoing Technical Support Fees, Year 3	Jul-08	100%	\$ 50,450.00
6	Annual Ongoing Technical Support Fees, Year 4	Jul-09	100%	\$ 52,980.00
7	Annual Ongoing Technical Support Fees, Year 5	Jul-10	100%	\$ 55,620.00
8	Annual Ongoing Technical Support Fees, Year 6	Jul-11	100%	\$73,700.00
9	Annual Ongoing Technical Support Fees, Year 7	Jul-12	100%	\$76,058.40
10	Annual Ongoing Technical Support Fees, Year 8	Jul-13	100%	\$78,492.27
11	Annual Ongoing Technical Support Fees, Year 9	Jul-14	100%	\$81,004.02
12	Annual Ongoing Technical Support Fees, Year 10	Jul-15	100%	\$83,596.15
	Total Software and Ongoing License and Annual Maintenance			\$905,710.84

- i. Additional interfaces were added to base software resulting in an increase in the baseline to the Annual Ongoing Software License Fees beginning in Year 6. This functionality includes custom interfaces for the Department of Revenue's TRUST system, Check 21, credit card processing interface and the Digimark interface for the Department of Safety. For Contract Years 6 through 10 in the table above, the State and the Software Provider agreed to a three and two-tenths percent (3.2%) yearly increase in the Annual Ongoing Software License fee, using the Year 5 fee as the base to perform the subsequent year calculations, plus \$16,300 in maintenance for the interfaces outlined above.
- ii. For Contract Year 11 and for subsequent Contract Years, Software Provider agrees that any increases in Annual Ongoing Software License fees for the licensed software that the Software Provider may wish to make shall not be greater than the increase in the Consumer Price Index (CPI) over the twelve month period prior to the effective date of the desired increase. The Licensee and the Software Provider acknowledge that the sample period for determining the CPI percentage is subject to the necessary lead-time required to process the amendment documentation, as well as the customary delay in the publication of CPI data; the Licensee shall select a sample period that is as close as reasonably possible to the desired amendment effective date, given the aforementioned lead-time and delays. CPI as used herein means the U.S. Consumer Price Index for all Urban Consumers, U.S. City Average - All Items 1982-1984 = 100 Base for the applicable twelve (12) month period as published by the Bureau of Labor Statistics. Notwithstanding the foregoing, in any event Licensee shall only pay a License Fee equal to or less than the lowest License Fee being paid by any similarly situated licensee in any year during the Term.

6. The following is added as contract section C.3.i:



C.3.i. Consulting Services Composite Rate. The State will compensate the Software Provider for Consulting Services, as described in Contract Section A.9, at a rate of One Hundred Eighty-Five Dollars and No Cents (\$185.00) per hour. This rate shall remain in effect throughout the term of the contract.

- i. The total compensation to the Software Provider for Consulting Services over the term of this Contract shall not exceed \$148,000.
- ii. The Software Provider shall not be compensated for travel time to the primary location of service provision.

7. Contract section C.4 is deleted in its entirety and replaced with the following:

C.4. Travel Compensation. Compensation to the Software Provider for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time. The State's travel-related compensation to the Software Provider shall not exceed Ten Thousand, Five Hundred Thirty-Seven Dollars and Eleven Cents (\$10,537.11) over the life of this Contract.

The Software Provider must include (in addition to other invoice requirements of this Contract) a complete itemization of travel compensation requested in accordance with and attaching to the invoice appropriate documentation and receipts as required by the above-referenced "State Comprehensive Travel Regulations."

8. Contract section D.2 is deleted in its entirety and replaced with the following:

D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Stephanie Dedmon, Edison Project Director
Department of Finance and Administration, Enterprise Resource Planning Division
19th Floor, Snodgrass TN Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243
Telephone # 615-253-2725
FAX # 615-253-2980

The Software Provider:

Jim Simak, General Manager
10550 Deerwood Park Blvd, Ste 700
Jacksonville, FL 32256
Telephone # 904-281-9090
FAX # 904-281-0075

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

9. Contract section D.9 is deleted in its entirety and replaced with the following:



D.9. Limitation of Liability. The Software Provider's liability to the Licensee, and its indemnification of the Licensee for any acts or omissions attributable to the Software Provider under this Contract, shall be limited to two (2) times the value of the Contract. The value of the contract shall be determined by the Licensee's Maximum Liability provisions in Paragraph C.1. of this Contract, or as such Maximum Liability may be amended. This limitation applies to all causes of action, including without limitation, breach of contract, breach of warranty, negligent acts, but specifically shall not apply to criminal acts, intentional torts or fraudulent conduct of the Software Provider. The Licensee will not indemnify the Software Provider for damages caused by the Software Provider's own actions or negligence, or those of third parties.

For services rendered under Amendment 3 only, Software Providers liability to the Licensee, and its indemnification of the Licensee for any acts or omissions attributable to the Software Provider under this Contract, shall be limited to the value of Amendment 3 which is Five Hundred Forty-Six Thousand, Two Hundred Fifty-Nine Dollars (\$546,259). This limitation applies to all causes of action, including without limitation, breach of contract, breach of warranty, negligent acts, but specifically shall not apply to criminal acts, intentional torts or fraudulent conduct of the Software Provider. The Licensee will not indemnify the Software Provider for damages caused by the Software Providers own actions or negligence, or those of third parties. The Software Provider will not indemnify the Licensee for damages caused by the Licensees own actions or negligence, or those of third parties.

10. The following is added as Contract section E.22.

E.22. Prohibition of Illegal Immigrants. The requirements of *Tennessee Code Annotated*, Section 12-4-124, *et seq.*, addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Software Provider hereby attests, certifies, warrants, and assures that the Software Provider shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Software Provider shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Attachment D, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the Software Provider and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Software Provider shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative to this Contract. Attestations obtained from such subcontractors shall be maintained by the Software Provider and made available to state officials upon request.
- c. The Software Provider shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Software Provider understands and agrees that failure to comply with this section will be subject to the sanctions of *Tennessee Code Annotated*, Section 12-4-124, *et seq.* for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor



from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this Contract.

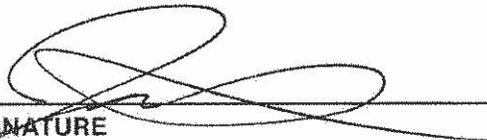
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

11. Contract Attachment D attached hereto is added as a new attachment.

The revisions set forth herein shall be effective on the date of final approval by all appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury). All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

N. HARRIS COMPUTER CORP.:



 SIGNATURE 7/29/2011
DATE
 Jim Simak, General Manager

 PRINTED NAME AND TITLE OF SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:



 MARK A. EMKES, COMMISSIONER of MOA 8-2-11
DATE



ATTACHMENT D

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	FA-07-16894
CONTRACTOR LEGAL ENTITY NAME:	N. Harris Computer Corp., Inc.
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	98-0141520

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

CONTRACTOR SIGNATURE

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

JIM SINAK, GENERAL MANAGER

PRINTED NAME AND TITLE OF SIGNATORY

DATE OF ATTESTATION

CONTRACT SUMMARY SHEET

021908

RFS # <h2 style="text-align: center;">317.03 — 134 — 07</h2>	Contract # <h2 style="text-align: center;">FA-07-16894-02</h2>
--	--

State Agency Finance and Administration	State Agency Division Office of Information Resources
---	---

Contractor Name N. Harris Computer Corp.	Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 59-3227491-980141520
--	--

Service Description
Enterprise Resource Planning (ERP) software and support services. Amendment changed Contractor name from System Innovators, Inc. to N. Harris Computer Corp. The FEIN changed from 59-3227491 to 98-0141520.

Contract Begin Date July 25, 2006	Contract End Date PERPETUAL STARS End Date: 06/30/2011	SUBRECIPIENT or VENDOR? VENDOR	CFDA #
---	---	--	---------------

Mark Each TRUE Statement

Contractor is on STARS Contractor's Form W-9 is on file in Accounts

Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.03	SYISL	083	15		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$310,889.00				\$310,889.00
2008	\$199,322.00				\$199,322.00
2009	\$50,450.00				\$50,450.00
2010	\$52,980.00				\$52,980.00
2011	\$55,620.00				\$55,620.00
2012					
TOTAL:	\$669,261.00				\$669,261.00

OCR RELEASED

AUG 15 2008

TO ACCOUNTS

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	State Agency Budget Officer Approval
2007	\$310,889.00		
2008	\$199,322.00		
2009	\$50,450.00		
2010	\$52,980.00		
2011	\$55,620.00		
2012			
TOTAL:	\$669,261.00		Funding Certification (certification, required by C.A. § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
End Date:	PERPETUAL	PERPETUAL	

RECEIVED

AUG 13 AM 8:00

OFFICE OF INFORMATION SERVICES

Contractor Ownership (complete for ALL base contracts— N/A to amendments or delegated authorities)

African American
 Person w/ Disability
 Hispanic
 Small Business
 Government
 Asian
 Female
 Native American
 NOT Minority/Disadvantaged
 Other

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)

RFP
 Competitive Negotiation *
 Alternative Competitive Method *
 Non-Competitive Negotiation *
 Negotiation w/ Government (ID, GG, GU)
 Other *

* **Procurement Process Summary** (complete for selection by Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)

AUG 07 2008

RECEIVED

**AMENDMENT TWO
TO FA-07-16894-00**

This Contract Amendment is made and entered by and between the State of Tennessee, by and through the Department of Finance and Administration, hereinafter referred to as the "State" and System Innovators, Inc., hereinafter referred to as the "Software Provider." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The text of Contract Section D.2. is deleted in its entirety and replaced with the following:

D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by EMAIL or facsimile transmission with recipient confirmation. Any such communications, regardless of method of transmission, shall be addressed to the respective party at the appropriate mailing address, facsimile number, or EMAIL address as set forth below or to that of such other party or address, as may be hereafter specified by written notice.

The State:

Stephanie Richardson, Edison Project Director
Department of Finance & Administration, Enterprise Resource Planning Division
162 3rd Ave. North
Nashville, TN 37243
Phone: (615) 253-2725
Fax: (615) 253-2980

The Contractor:

Jim Simak, Vice President
10550 Deerwood Park Blvd, Ste 700
Jacksonville, FL 32256
Phone: (904) 281-9090 fax is (904) 281-0075.
Fax: (904) 281-0075

All instructions, notices, consents, demands, or other communications shall be considered effectively given upon receipt or recipient confirmation as may be required.

2. The following is added as Contract Section E.20.:

E.20. Contractor Name. All references to "System Innovators, Inc." shall be deleted and replaced with "N. Harris Computer Corp."

3. The following is added as Contract Section E.21:

E.21. Federal Employer Identification Number. All references to FEIN, "59-3227491" shall be deleted and replaced with FEIN, "98-0141520."

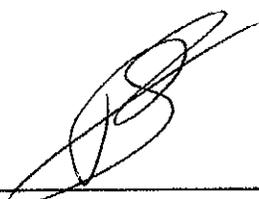
The revisions set forth herein shall be effective **July 31, 2008**. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

N. HARRIS COMPUTER CORP.:

CONTRACTOR SIGNATURE

DATE



July 22/08.

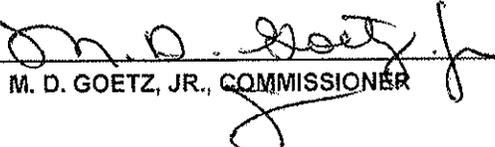
PATRICK SHAUGHNESSY, CORPORATE CONTROLLER

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. GOETZ, JR., COMMISSIONER

DATE

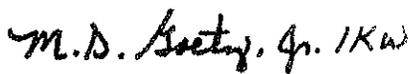


8-6-08

APPROVED:

M. D. GOETZ, JR., COMMISSIONER
DEPARTMENT OF FINANCE AND ADMINISTRATION

DATE



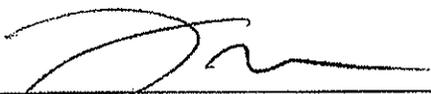
AUG 12 2008

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE



8/13/08

FA CONTRACT INFORMATION SUPPLEMENT FOR ALL FA-TYPE CONTRACTS — COMPLETE EITHER SECTION A OR SECTION B	
Contract RFS #	317.03-134-07
Contractor:	N. Harris Computer Corp.
SECTION A— CONTRACTOR IS AN INDIVIDUAL	SECTION B— CONTRACTOR IS A COMPANY <small>(e.g., sole proprietorship, partnership, or corporation)</small>
Is or has the contractor been a state employee? <input type="checkbox"/> NO <i>(no additional information required)</i> <input type="checkbox"/> YES	Does an individual, who is or has been a state employee, own controlling interest in (or own) the contractor company? <input checked="" type="checkbox"/> NO <i>(no additional information required)</i> <input type="checkbox"/> YES
Was such employment within the past six months? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>(an approved rule exception permitting a contract within six months of employment is also required)</i>	Was such employment within the past six months? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>(an approved rule exception permitting a contract within six months of employment is also required)</i>
Does the contractor receive Tennessee Consolidated Retirement System (TCRS) retirement benefits? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>(the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)</i>	Does the individual who owns controlling interest in the contractor company receive Tennessee Consolidated Retirement System (TCRS) retirement benefits? <input type="checkbox"/> NO <input type="checkbox"/> YES <i>(the procuring agency general counsel MUST sign an analysis of this procurement using the TCRS analysis guidelines)</i>
CONTRACTOR SIGNATURE	
	
CONTRACTOR	DATE Aug 4 / 08

From: "Trevor Carson" <tcarson@harriscomputer.com>
To: <Marga.Rivenbark@state.tn.us>
Date: 7/7/2008 3:33 PM
Subject: Harris Vendor Registration
Attachments: 1040_001.pdf

CC: "Christine Heckle" <heckle@systeminnovators.com>
Hi Marga,

I just faxed over the completed registration. Please let me know if you need anything further. I have attached a copy for your reference.

Thanks,

Trevor

Trevor Carson, CFA
Senior Analyst, Corporate Development

Phone: (613) 226-5511 ext. 2101
Fax: (613) 226-3377
Email: tcarson@harriscomputer.com
1 Antares Drive, Suite 400
Ottawa, Ontario, Canada
K2E 8C4

Green Thinking - Please consider the environment before printing this message

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VENDOR/GRANTEE REGISTRATION

State of Tennessee
Department of General Services
William R. Snodgrass TN Tower 3rd Floor
312 Eighth Avenue North
Nashville, Tennessee 37243
Office No. 615-741-1035 Fax No. 615-741-0684
www.tennessee.gov/generalser/v/purchasing

1. FEDERAL IDENTIFICATION NUMBER: Please enter either your Federal Employer Identification Number or Social Security Number.

Check Only One

[X] FEIN

[] SSN

Number: 98-0141520

When answers require additional space, use plain white paper. Please answer all questions as completely as possible. It is important that you respond to all questions. You must include all attachments requested. Please Note: If required support documents are not included, the processing of the registration form will be delayed. Refer to Instructions BEFORE SUBMITTING.

SECTION I: GENERAL BUSINESS INFORMATION

2. LEGAL ORGANIZATION NAME:

N. HARRIS COMPUTER CORP.

3. ORGANIZATION ADDRESS: Please enter all information for the primary location of this business. Please Do Not enter a P.O. Box.

1 ANTARES DR.
(Address)

(County Code)

SUITE 400
(Suite or Office)

OTTAWA
(City)

ON K2E8C4
(State) (Zip) (Zip +4)

Telephone Number (613) 226-5511 x 2101

Fax Number () - - - - - X

Email TCARSON@HARRISCOMPUTER.COM

Website WWW.HARRISCOMPUTER.COM

3.1 Address to which Solicitations are to be mailed:

10550 DEERWOOD PARK BLVD
(Address or P.O. Box)

SUITE 700
(Suite or Office)

JACKSONVILLE
(City)

FL 32256
(County) (Zip)

3.2 Address to which Payments are to be mailed: (if different from above)

1 ANTARES DR.
(Address or P.O. Box)

SUITE 400
(Suite or Office)

OTTAWA
(City)

ON K2E8C4
(County) (Zip)

3.3 Address to which Purchase Orders/Contracts are to be mailed: (if different from above)

10550 DEERWOOD PARK BLVD
(Address or P.O. Box)

SUITE 700
(Suite or Office)

JACKSONVILLE
(City)

FL 32256
(County) (Zip)

4. ORGANIZATION CONTACT: Please enter all information for the individual who will be the primary contact for your business with our office.

HECKLE, CHRISTINE
(Last Name, First Name & Middle Initial)

EXECUTIVE ACCOUNT LIASON
(Title)

Telephone Number: (613) 963-5000 x 351 Mobile Number: () - - - - - X Email: HECKLE@SYSTEMINNOVATORS.COM

4.1 Person(s) Authorized to sign Bids/Proposals (Type or print)

- 1. JIM SIMAK J.SIMAK@SYSTEMINNOVATORS.COM VICE PRESIDENT
2. KELLEY LANGFORD K.LANGFOLD@SYSTEMINNOVATORS.COM VICE PRESIDENT

SECTION II: BUSINESS ASSESSMENT / NEEDS ANALYSIS

5. GROSS ANNUAL RECEIPTS: Last two years. Please circle one:

- (a) \$0 - \$500,000 (b) \$500,001 - \$750,000 (c) 750,001 - \$1,000,000 (d) \$1,000,001 - \$2,000,000 (e) Over \$2,000,000

6. ORGANIZATION HISTORY:

- a. Date business established: 01/01/1986
b. Has there been a change in ownership within the last 2 years? [X] Yes [] No
c. If yes, previous firm name and owner: SYSTEM INNOVATORS
d. Was organization acquired? [X] Yes [] No
e. If Yes, date acquired: APR 4, 2008

7. TYPE OF ORGANIZATION ACTIVITY: Select one only.

- [] Agriculture, Forestry or Fishing [] Medical/Healthcare
[] Architectural/Design/Engineering [] Mining
[] Construction Services [] Retail Trade
[] Finance, Insurance & Real Estate [] Service Industry
[X] Information Systems/Technology [] Transportation, Commerce & Utilities
[] Manufacturing [] Wholesale Trade
[] Marketing/Communications/ Public Relations

If not seeking certification as a Minority, Woman or Small Business Enterprise, please check this box and skip to number 26.

12. PROFESSIONAL BUSINESS LICENSE: Specify type of work: CPA, attorney, security, contractor, etc.

City _____ State _____ Number _____
Expiration Date _____ Limit: _____
Type of Work _____

13. KEY PERSONNEL: Provide names and titles.

a. _____
b. _____
c. _____

15. INSURANCE COMPANY: If applicable for your business, list the company name, address, telephone number and name of a contact person for your insurance carrier. Provide copy of current certificate.

(Company Name) _____
(Suite or Office) _____
(Address) _____
(City) _____ (State) _____ (Zip) _____ (Zip+4) _____
Telephone Number (_____) _____ - _____ X _____
Contact Name _____
(Last Name, First Name & Middle Initial)

14. INSURANCE INFORMATION: Please check the type of insurance carried by your business.

General Liability Automotive
 Workman Comp Professional Liability
 Other _____

16. BONDING COMPANY: If applicable for your business, list the company name, address, telephone number and name of a contact person for your bonding company.

(Company Name) _____
(Suite or Office) _____
(Address) _____
(City) _____ (State) _____ (Zip) _____ (Zip+4) _____
Telephone Number (_____) _____ - _____ X _____
Contact Name _____
(Last Name, First Name & Middle Initial)

17. BONDING INFORMATION: If applicable for your business, please enter your bonding limits per job, your total bonding amount, your bonding rate and your bid amount limit.

Bonding Limits Per Job \$ _____ Total \$ _____ Bonding Rate \$ _____ Bid Amount Limit \$ _____

18. DIVERSITY PROJECT INFORMATION: List the name of the major projects, dollar value and year that you participated as a diversity business (minority or woman-owned or small business).

a. _____ \$ _____ Year _____
b. _____ \$ _____ Year _____
c. _____ \$ _____ Year _____

19. CLIENT REFERENCES: List the business names, address, telephone number and name of a contact person for three clients.

a. (Business Name) _____ (Address) _____ (City) _____ (State) _____ (Zip) _____ (Zip+4) _____
Telephone Number (_____) _____ - _____ X _____
(Contact Name - Last Name, First Name & Middle Initial) _____
b. (Business Name) _____ (Address) _____ (City) _____ (State) _____ (Zip) _____ (Zip+4) _____
Telephone Number (_____) _____ - _____ X _____
(Contact Name - Last Name, First Name & Middle Initial) _____
c. (Business Name) _____ (Address) _____ (City) _____ (State) _____ (Zip) _____ (Zip+4) _____
Telephone Number (_____) _____ - _____ X _____
(Contact Name - Last Name, First Name & Middle Initial) _____

20. Please enter any specific products, goods or services you desire to provide to the State of Tennessee (refer to instructions - Accessing Products and Service Codes)

SECTION III: ORGANIZATION OWNERSHIP AND MANAGEMENT CONTROL

Please provide the following information to claim status as a minority or a woman-owned or small business enterprise.

21.

- a. Does the applicant's business have any subsidiaries or affiliates or is it a subsidiary or affiliate of another concern? Yes No
If yes, provide the name, address and telephone number of the subsidiary, affiliate or parent. Also, describe the relationship of the applicant company to the subsidiary, affiliate or parent. Use a separate sheet of paper.
- b. Does the applicant's business concern or any person listed as owners, partners or officers of your company have or intend to enter into any type of agreement with any other concern or person which relates to or affects the on-going administration, management or operations of the applicant concern? Yes No (Such agreements include, but are not limited to management and joint venture agreements.) If yes, attach a copy of any written agreement or an explanation of any oral or intended agreement.
- c. Is the applicant's business concern involved in any present or pending lawsuit? Yes No If yes, provide details on a separate sheet.
- d. Is the applicant's business concern involved in a bankruptcy or insolvency proceeding? Yes No
- e. Have you ever been rejected for certification by any agency? Yes No
- f. What other current certification(s) does your company have? _____

22.

Are you a person with a disability? Yes No

Please mark only one box (either Minority, Women, or Small). Please refer to instructions. If more than one box is selected, your application will be returned to you.

Minority Business Enterprise

Solely owned or at least 51% owned by a minority person or persons who control daily operations.

- African American
- Hispanic American
- Native American
- Asian American

Women Business Enterprise

Solely owned or at least 51% owned by a female person or persons who control daily operations.

- Non-Minority
- African American
- Hispanic American
- Native American
- Asian American

Small Business Enterprise

See Registration Instructions for Definition

- Non-Minority
- Female
- African American
- Hispanic American
- Native American
- Asian American

23. OWNER/PARTNER/OFFICER INFORMATION: Please complete the following section for all owners, partners and officers. Attach additional pages if needed.

Name & Title	Gender (M/F)	Minority (Race)	Citizen (Y/N)	Years Owned	% of Ownership	Voting %	No. of Shares	Cost of Shares	Type of Shares

SECTION IV: REQUIRED DOCUMENTATION FOR BUSINESSES CLAIMING STATUS AS A MINORITY OR WOMEN ENTERPRISE

Please refer to the application instructions for the complete Documentation Checklist of the required documents when claiming status as minority, woman owned or small business enterprise.

24. MINORITY OR WOMAN WHO OWN AT LEAST 51% OF BUSINESS: Please submit two of the following documents for each owner as required to substantiate status.

- U.S. Birth Certificate
- U.S. Passport
- Driver License
- Tribal Card w/Number
- Permanent Resident Alien Registration

SECTION V: TECHNICAL ASSISTANCE:

Management and technical assistance may include referral to the state of Tennessee Department of Economic and Community Development (ECD). Consultation is available to individuals who are interested in starting a business, buying a business, or expanding an existing business. ECD consultants provide counseling to individuals regarding structuring financial plans, preparing loan applications, strategic planning, and guidance for writing business plans. Economic and Community Development maintains an extensive network of public and private sector financial institutions and business management resource agencies.

25. REQUESTED ASSISTANCE: Please provide, in detail, an explanation of requested assistance on a separate sheet.

- Business Start-up assistance Working capital Developing a business plan
 Buying a business Counseling Expanding an existing business

26. SOLICITATION NOTIFICATIONS:

The state of Tennessee would prefer to email solicitation notifications. If this is acceptable, please provide your email address. _____ (Email address)

If you do not provide an email address, you will receive your solicitation via the United States Postal Service.

27. DISCLOSURE:

Are any employees of this firm current employees of the state of Tennessee or former employees of the state of Tennessee (within the last six months)?

- Yes No

If so, please attach a list of these employees, to include name, social security number and position within your firm including ownership and interest.

NOTE: All vendors must comply with TCA 12-4-103 "Bidding by State Employees Prohibited." It is hereby declared unlawful for any state official or employee to bid on, sell, or offer for sale, any merchandise, equipment or material, or similar commodity, to the State of Tennessee during tenure of such official's or employee's office or employment, or for six (6) months thereafter, or to have any interest in the selling of the same to the state.

28. AFFIRMATION:

The undersigned acknowledges that all submitted information and documentation will become the property of the state of Tennessee. The undersigned also affirms that he/she is a legal citizen of the United States or Permanent Resident Alien and that the information given above is true, accurate and includes pertinent information necessary to identify and explain the operations of J. HARRIS COMPUTER CORP. to the best of my knowledge and is in no way misleading. (Business Name or Business Name DBA, if sole proprietor)

Should any data change in the future, I will ensure that correct information will immediately be sent in writing to the Tennessee Department of General Services.

TREVOR CARSON
(Type or Print Name of Principal Owner)


(Signature of Principal Owner)

JULY 7 / 2008
(Date)

T.C.A. Section 4-21-904 Discrimination by funded programs prohibited. - It is a discriminatory practice for any state agency receiving federal funds making it subject to Title VI to the Civil Rights Act of 1964, or for any person receiving such federal funds from a state agency, to exclude a person from participation in, deny benefits to a person, or to subject a person to discrimination under any program or activity receiving such funds, on the basis of race, color, or national origin. The Department of General Services, state of Tennessee, does not discriminate on the basis of disability in the admission or access to, or treatment or employment in its program or activities and is in compliance with ADA (Americans with Disabilities Act of 1990) 42 U.S.C. 12101.

29. EMERGENCY INFORMATION: *Optional*

In the event of a natural disaster, please provide an after-hour emergency phone number if you would like to be contacted for goods/services.

Contact Person (_____) _____
Telephone Number



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

320 Sixth Avenue, North – 8th Floor
NASHVILLE, TENNESSEE 37243-0057
615-741-2564

Rep. Charles Curtiss, Chairman		Sen. Douglas Henry, Vice-Chairman	
Representatives		Senators	
Curt Cobb	Donna Rowland	Doug Jackson	Reginald Tate
Curtis Johnson	David Shepard	Bill Ketron	Jamie Woodson
Gerald McCormick	Curry Todd	Paul Stanley	
Mary Pruitt	Eddie Yokley	Randy McNally, <i>ex officio</i>	
Craig Fitzhugh, <i>ex officio</i>		Lt. Governor Ron Ramsey, <i>ex officio</i>	
Speaker Jimmy Naifeh, <i>ex officio</i>			

M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Charles Curtiss, Chairman, Fiscal Review Committee
Bill Ketron, Chairman, Contract Services Subcommittee cc
BK

DATE: October 9, 2007

SUBJECT: **Contract Comments**
(Contract Services Subcommittee Meeting 10/09/07)

RFS# 317.03-134

Department: Finance & Administration

Contractor: System Innovators, Inc.

Summary: This vendor currently provides cashiering services for the Edison Project for the Department. The proposed amendment increases the maximum liability by \$151,272 to provide funding for the replacement cashiering system for the TRUST system for the Department of Revenue.

Maximum liability: \$517,989

Maximum liability w/amendment: \$669,261

After review, the Fiscal Review Committee voted to recommend approval of the contract amendment.

cc: The Honorable Mike Morrow, Deputy Commissioner
Mr. Robert Barlow, Director, Office of Contracts Review



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION**

312 EIGHTH AVENUE NORTH
SUITE 2100 TENNESSEE TOWER
NASHVILLE, TENNESSEE 37243
(615) 741-0300
FAX (615) 532-8532

DAVE GOETZ
COMMISSIONER

MIKE MORROW
DEPUTY COMMISSIONER
FOR OPERATIONS

MEMORANDUM

TO: Robert Barlow
FROM: Mike Morrow *Mike Morrow*
MDA
SUBJECT: Waiver of 60-Day Lead-Time for Non-Competitive Amendment
DATE: October 2, 2007

As a part of the suite of Enterprise Resource Planning (ERP) contracts, the State currently holds a contract with System Innovators, Inc. to provide cashiering services for the ERP project. The attached Amendment 1 leverages this existing contract to provide cashiering services to replace an aging and unsupported legacy cashiering system and provide a cashiering system for the new TRUST project.

The Departments of Finance and Administration (F&A) and Revenue have negotiated reasonable rates with System Innovators to replace the existing legacy cashiering system and support the need for a cashiering component for TRUST. The amendment includes implementation and training for the new cashiering system. Revenue has requested two options for performing the replacement: prior to ERP coming on-line and post ERP coming on-line. The final decision will be made after an assessment of the risk of a catastrophic hardware failure on the current system. If this risk is determined to be great, Revenue may choose to go ahead with the replacement as soon as possible.

The hardware for the current legacy cashiering system is aging and is no longer supported by the manufacturer. Repairs to this equipment are becoming increasingly difficult and there is the possibility that a hardware failure could severely impair the ability of the Department of Revenue to perform critical cashiering functions. Given the increasing unreliability of the cashiering hardware, it is important to quickly replace this cashiering system with an environment that is modern, supported, and compatible with the State's new ERP system. The time constraint Revenue is under to provide a needed point-of-sale component for the TRUST project is critical at this point. Therefore F&A requests a waiver of the normal 60-day lead-time for processing a Non-Competitive Amendment.



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION**

**312 EIGHTH AVENUE NORTH
SUITE 2100 TENNESSEE TOWER
NASHVILLE, TENNESSEE 37243
(615) 741-0300
FAX (615) 532-8532**

**DAVE GOETZ
COMMISSIONER**

**MIKE MORROW
DEPUTY COMMISSIONER
FOR OPERATIONS**

October 2, 2007

Mr. James W. White
Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN

Dear Sir:

Please find attached, for the Fiscal Review Committee's consideration, documentation of a Non-Competitive Amendment request pertaining to the State's contract with System Innovators, Inc. for the ERP Project. The Department of Finance and Administration respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

To facilitate the Committee's review, we present the following summary of the amendment:

1. Replaces aging TRUST cashiering system with ERP-compatible software and technology.
2. Adds additional money to the contract to cover costs related to TRUST iNovah Implementation.
3. Vendor will install a base version of its iNovah cashiering system.
4. At State's request, vendor will create a custom web interface for TRUST-related inquiries, searches, and updates.
5. At State's request, vendor will tailor the system to add TRUST-related custom reports and business requirements.

Thank you for your consideration of this request. We look forward to appearing before the Committee at its next scheduled meeting.

Sincerely,

Mike Morrow
MDA

Mike Morrow
Deputy Commissioner

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration
Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	317.03-134-07	
2) State Agency Name :	Finance and Administration	
EXISTING CONTRACT INFORMATION		
3) Service Caption :	Enterprise Resource Planning (ERP) software and support services. Amendment is to replace the TRUST cashiering system with ERP-compatible software and technology.	
4) Contractor :	System Innovators, Inc.	
5) Contract #	FA-07-16894-00	
6) Contract Start Date :	July 25, 2006	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	Perpetual (STARS End Date: 06/30/2011)	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$517,989.00	
PROPOSED AMENDMENT INFORMATION		
9) <u>Proposed</u> Amendment #	1	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	October 16, 2007	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	Perpetual (STARS End Date: 06/30/2011)	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$669,261.00	
13) Approval Criteria : (select one)	<input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state	
	<input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
As the owner of the current suite of Enterprise Resource Planning (ERP) contracts, Finance and Administration (F&A), acting on behalf of the Department of Revenue, is processing Amendment 1 to F&A's contact with System Innovators, Inc.		

This amendment replaces the cashiering system on the aging legacy system and adds cashiering functionality to the new TRUST project that is compatible with the future Enterprise Resource Planning (ERP) system. Additional services provided include implementation and training for the new cashiering system.

The amendment is structured in such a way as to allow Revenue to choose to replace their system prior to ERP coming on-line, or after it comes on-line. The amendment features different pricing structures for each option.

15) Explanation of Need for the Proposed Amendment :

The current legacy cashiering system runs on hardware with declining reliability that is no longer supported by the manufacturer. Repairs are increasingly difficult as the system ages. There is the possibility that a hardware failure could severely impair the ability of the Department of Revenue to perform their cashiering functions. The new TRUST system to replace the aging Title and Registration legacy system is scheduled to be brought up in March 2008 and the need for a cashiering system is a functionality of the system that needs to be addressed as soon as possible. The project team spent 18 months preparing an RFP for the TRUST point of sale component but failed to get a responsive bid from the two bidders who participated. Before submitting the RFP back to market, Revenue was introduced to this existing product in the ERP project that met the project's needs.

16) Name & Address of Contractor's Current Principal Owner(s) :
(not required if proposed contractor is a state education institution)

Roger D. Nelson
10550 Deerwood Park Blvd.
Suite 700
Jacksonville, FL 32256

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:

Documentation Not Applicable to this Request

Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

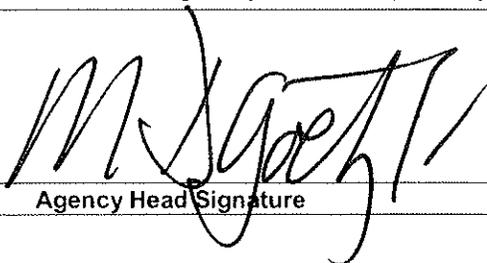
None. Given the State's commitment to ERP, it is in the State's best interest to replace the current system with the same system that will be used to perform ERP cashiering.

21) Justification for the Proposed Non-Competitive Amendment :

Given the increasing unreliability of the current legacy cashiering hardware, it is important to quickly replace this cashiering system with an environment that is modern, supported, and compatible with the State's new ERP system. The time constraint Revenue is under to provide a needed point-of-sale component for the TRUST project is critical at this point. It would not make sense to engage another vendor to perform the cashiering upgrade, and then, at some point in the near future, have to address the compatibility issues with ERP. It is in the State's best interest to allow the ERP cashiering vendor to provide the TRUST cashiering system.

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature

10/1/07

Date



FAX/EMAIL TRANSMITTAL

to Request OIR Procurement Endorsement

TO : Jane Chittenden, Director
OIR Procurement & Contract Management **FAX # 741-6164**

FROM : Stephanie Richardson, ERP Project
Director **FAX # 253-2980**

DATE : September 19, 2007

RFS # 317.03 — 134 — 07

RE : Procurement Endorsement — Enterprise Resource Planning (ERP) software and support services. Amendment is to replace TRUST cashiering system with ERP-compatible software and technology.

INFORMATION SYSTEMS PLAN PROJECT: N/A

NUMBER OF FAX PAGES (including cover) : N/A

The nature and scope of service detailed in the attached service procurement document(s) appears to require Office for Information Resources (OIR) review and support, because the procurement involves information technology or information systems services.

This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter. Please determine whether OIR is supportive of the procurement. If you have any questions or concerns about this matter, please call Stephanie Richardson at 615-253-2725.

Please indicate below your response to this proposed procurement, and return this communication at your earliest convenience (note the return FAX number above).

Thank you for your help.

Attachment(s)

Must include the entire contract or amendment document and where applicable, the non-competitive contract or amendment request form. The original contract and any prior amendments that were applied to the same section of the contract must be provided with an amendment. Electronic copies of the contract, amendments, and request form without signature are acceptable.

RFP documents must be provided in electronic form.

OIR Endorsement :

Mark Bengal (JB)
OIR Chief Information Officer

10/2/07
Date

CONTRACT SUMMARY SHEET

070407

RFS # 317.03 — 134 — 07		Contract # FA-07-16894-01	
State Agency Finance and Administration		State Agency Division Office for Information Resources	
Contractor Name System Innovators, Inc.		Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 59-3227491	
Service Description Enterprise Resource Planning (ERP) software and support services. Amendment is to replace the TRUST cashing system with ERP-compatible software and technology.			

Contract Begin Date July 25, 2006	Contract End Date PERPETUAL STARS End Date: 06/30/2011	SUBRECIPIENT or VENDOR? VENDOR	CFDA #
---	---	--	---------------

Mark Each TRUE Statement!

<input checked="" type="checkbox"/> Contractor is on STARS	<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts
--	--

Allocation Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.30	SYISL	083	15		

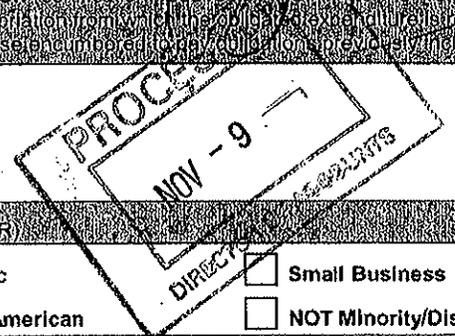
BY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$310,889.00				\$310,889.00
2008	\$199,322.00		OCR RELEASED		\$199,322.00
2009	\$50,450.00		NOV 09 2007		\$50,450.00
2010	\$52,980.00		TO ACCOUNTS		\$52,980.00
2011	\$55,620.00				\$55,620.00
2012					
TOTAL	\$669,261.00				\$669,261.00

(COMPLETE FOR AMENDMENTS ONLY)		
BY	Base Contract & Prior Amendments	THIS Amendment ONLY
2007	\$310,889.00	
2008	\$48,050.00	\$151,272.00
2009	\$50,450.00	
2010	\$52,980.00	
2011	\$55,620.00	
2012		
TOTAL	\$517,989.00	\$151,272.00
End Date	PERPETUAL	PERPETUAL

State Agency Fiscal Contact & Telephone
Maureen Abbey, 741-6070

State Agency Budget Officer Approval
Maureen Abbey

Funding Certification (certification of all federal funds received by the contractor from the State of Florida is for the purpose of the contract and is not otherwise encumbered on a federal award previously received)



Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)

<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> NOT Minority/Disadvantaged

Contractor Selection Method (complete for All base contracts - N/A to amendments or delegated authorities)

<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation *	<input type="checkbox"/> Alternative Competitive Method *
<input type="checkbox"/> Non-Competitive Negotiation *	<input type="checkbox"/> Negotiation w/ Government (ID, GG, GU)	

Procurement Process Summary (complete for Selection by Non-Competitive Negotiation, Competitive Negotiation, OR Alternative Method)

**AMENDMENT ONE
TO FA-07-16894-00**

This Contract Amendment is made and entered by and between the State of Tennessee, Department of Finance and Administration, hereinafter referred to as the "State" and System Innovators, Inc., hereinafter referred to as the "Software Provider." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject Contract is hereby amended as follows:

1. The following provisions are added as Contract Section A.7:

A.7. Title and Registration Users System of Tennessee (TRUST) iNovah Implementation. At the State's request, the Contractor will implement the iNovah system to perform cashiering functions for the State's TRUST system. All enhanced iNovah software will be delivered onsite at State facilities. There are three components of this Implementation activity and they are priced separately as detailed in Contract Section C.3.h. Section A.7.a is the fundamental step in the TRUST iNovah Implementation, and may be purchased as a standalone option; however, in order to request either, or both, of the additional components described in A.7.b and A.7.c, the State must purchase the A.7.a component. However, the State is not obligated to purchase any services from the Contractor. Component descriptions are as follows:

A.7.a. Base Implementation. Contractor will install the base version of iNovah and create a custom web service interface for account inquiries to the legacy system using a web service wrapper around the DB2 database stored procedures. There will be no payment updates. All other business logic will conform to that allowed by the base iNovah configuration module.

The Base Implementation includes the following components:

- i. Project Management
- ii. Assessment Services
- iii. Delivery and Installation Services
- iv. System Training
- v. End User Training
- vi. Go-Live Onsite Support
- vii. Custom interface for account inquiries to legacy TRUST system, as described above

In accordance with the terms of the Contract: (1) there shall be no additional license fees; (2) any required additional copies of software and user licenses shall be provided free of charge; and (3) cashiering volumes shall be unlimited. Technical Support for the TRUST iNovah Implementation shall be provided in accordance with the terms of Contract Section A.4.

All Contractor travel and accommodation expenses are included within the fixed price.

The Base Implementation does not include any data conversion services from the current cashiering application into the iNovah payment database.

A.7.b. Custom Web Service Interface. Contractor will create a custom web service interface for account inquiries, lookups, search capabilities with allocation distributions, and updates to the TRUST system using web services. All other business logic will conform to that allowed by the base iNovah configuration module. This item also includes the creation of all payment forms, receipt forms, and business logic configurations.

A.7.c. Software Development. Contractor will perform additional software development services to modify the cashiering module to meet the Department's business requirements and to

create custom treasury/finance reports to facilitate bank balancing, depositing, and reconciliation. These services comprise the following:

- i. Custom Reports to match current treasury/finance reports for business process replication – 4 reports
- ii. Custom reports for automated generation of letters of approval and denial – 6 reports
- iii. Business Process Tailoring – To the extent that the base iNovah system, including modifications made under Contract Sections A.7.a and A.7.b, does not meet the State's requirements as described in Contract Attachment C, the Contractor shall perform the system tailoring necessary to meet the State's requirements, including, but not limited to, the following:
 - Title payments
 - Decal payments
 - Military transactions
 - Miscellaneous and pre-paid transactions
 - Letters of approval and denial tracking for various transaction types
 - Refund processing
 - Fleet transactions
 - Credit and debit card processing configuration and testing
 - Special receipt generation

A.7.d. The State will be responsible for acceptance testing the modifications to iNovah to ensure that the deliverables meet the State's needs as defined.

2. The following provision is added as Contract Section A.8:

A.8. TRUST iNovah Implementation Schedule. The Contractor will perform the TRUST iNovah implementation in accordance with the following estimated schedule:

Milestone #1: Delivery of base iNovah software and pre-configured iNovah database	30 days from amendment effective date
Milestone #2: Delivery of enhanced iNovah software and production iNovah database	90 days from amendment effective date
Milestone #3: Application Go Live and Project Acceptance	120 days from amendment effective date

3. The text of the first paragraph of Contract Section C.1 is deleted in its entirety and replaced with the following:

C.1 Maximum Liability. In no event shall the maximum liability of Licensee under this Contract exceed Six Hundred Sixty-Nine Thousand, Two Hundred Sixty-One Dollars, and No Cents (\$669,261.00) (the "Value of the Contract"). The License Fees in Section C.3 shall constitute the entire compensation due the Software Provider for the Service and all of the Software Provider's obligations hereunder regardless of the difficulty, materials or equipment required. The License Fees include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Software Provider, with the exception of Contract Section C.4.

4. The text of Contract Section C.3.d is deleted in its entirety and replaced with the following:

C.3.d. The Software Provider shall submit invoices in form and substance acceptable to Licensee with all of the necessary supporting documentation, prior to any payment. The

invoice shall present a complete itemization of the charges, which shall, at a minimum, detail the following:

- (1) Service or Milestone Description (including name /title as applicable) of each service invoiced;
- (2) Number of Completed Units, Increments, Hours, or Days as applicable, of each service invoiced;
- (3) Applicable Payment Rate of each service invoiced;
- (4) Amount Due by Service; and
- (5) Total Amount Due for the invoice period.

5. **The following provision is added as Contract Section C.3.h:**

C.3.h. TRUST iNovah Implementation Fees.

- i. Base Implementation. This is a fixed-price component in the total amount of \$74,000.00. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following percentage payment rates:

Service Description	Amount (per compensable increment)
30% to be paid upon completion and State's written acceptance of Milestone #1: Delivery of base iNovah software and pre-configured iNovah database	\$22,200.00
30% to be paid upon completion and State's written acceptance of Milestone #2: Delivery of enhanced iNovah software and production iNovah database	\$22,200.00
40% to be paid upon completion and State's written acceptance of Milestone #3: Application Go Live and Project Acceptance	\$29,600.00

- ii. Custom Web Service Interface. This is a fixed-price component in the total amount of \$25,000.00. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following percentage payment rates:

Service Description	Amount (per compensable increment)
30% to be paid upon completion and State's written acceptance of Milestone #1: Delivery of base iNovah software and pre-configured iNovah database	\$7,500.00
30% to be paid upon completion and State's written acceptance of Milestone #2: Delivery of enhanced iNovah software and production iNovah database	\$7,500.00
40% to be paid upon completion and State's written acceptance of Milestone #3: Application Go Live and Project Acceptance	\$10,000.00

- iii. Software Development. These services shall be provided on an hourly basis at the State's request and the total amount of the hourly payments shall not exceed

\$52,272. The Contractor shall be compensated for said units, milestones, or increments of service based upon the following payment rates:

Service Description	Amount (per compensable Increment)
Software Development services as described in Contract Section A.7.c.	\$198.00 per Hour

- iv. The Contractor shall not be compensated for travel time to the primary location of service provision.

6. **Contract Attachment C attached hereto is added as a new Contract Attachment.**

The revisions set forth herein shall be effective October 16, 2007. All other terms and conditions not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF:

SYSTEM INNOVATORS, INC.:



10/11/07

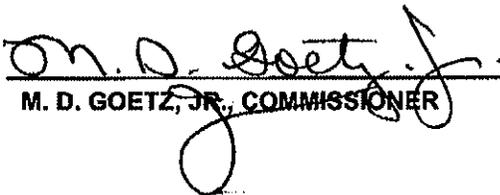
CONTRACTOR SIGNATURE

DATE

Kelley J. Langford, President

PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)

DEPARTMENT OF FINANCE AND ADMINISTRATION:



10-22-07

M. D. GOETZ, JR., COMMISSIONER

DATE

APPROVED:


NOV 6 2007

M. D. GOETZ, JR., COMMISSIONER

DATE

DEPARTMENT OF FINANCE AND ADMINISTRATION

John G. Morgan

11/7/07

JOHN G. MORGAN, COMPTROLLER OF THE TREASURY

DATE

Functional Areas (Mandatory Requirements):

A.1.1 Cash Drawer Maintenance – The following functions are applicable to cash drawer sites where monetary and stock items, if applicable, are processed.

A.1.1.1 Authenticate & Authorize Staff

The purpose of this process is to open a cash drawer, assign the staff member responsible for operating this cash drawer, and to record the starting balance of the cash drawer.

Pre Condition: This occurrence of OFFICE and STAFF must exist. This occurrence of CASH DRAWER exists.

Post Condition: This occurrence of CASH DRAWER may be created. This occurrence of CASH DRAWER is related to OFFICE. An occurrence of CASH DRAWER ASSIGNMENT is created and related to STAFF. An occurrence of CASH DRAWER ACTIVITY and CASH DRAWER STATUS is created.

A.1.1.2 Change Staff Member Assignment

The purpose of this process is to end the assignment of a staff member currently responsible for the operation of a cash drawer and to assign a different staff member to take over this responsibility. The change of a staff member assignment can occur anywhere in the cash drawer maintenance cycle. The system must validate the cash before the new staff is assigned to the counter.

Pre Condition: This occurrence of CASH DRAWER, CASH DRAWER ASSIGNMENT (for staff currently assigned), and STAFF (staff member being assigned) must exist.

Post Condition: This occurrence of CASH DRAWER ASSIGNMENT is updated. An occurrence of CASH DRAWER ASSIGNMENT is created and related to STAFF.

A.1.1.3 Record Instant Refund

The purpose of this process is to record that an "instant" refund has been made from a cash drawer for an activity during that business day. The amount of the refund can only be for the actual value of the refund. A place to enter a reason for the refund must be provided.

Pre Condition: This occurrence of ACTIVITY, PAYMENT, and CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of PAYMENT are updated. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with ACTIVITY.

Implementation Consideration: The ability to execute this process may be restricted to designated staff members. Provide for the ability to record a supervisor's authorization of the refund. Provide for split payments (a combination of forms of payment for one transaction).

A.1.1.4 Close Cash Drawer

The purpose of this process is to designate a cash drawer as closed and to indicate that the reconciliation process for the monetary items can take place.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: This occurrence of CASH DRAWER STATUS is created.

A.1.1.5 Record Ending Balances

The purpose of this process is to record the monetary value for all activities conducted at this cash drawer.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: This occurrence of CASH DRAWER ACTIVITY is updated.

Implementation Consideration: This process may be repeated several times in the workday. IPSIS must provide for progressive processing; that is, multiple steps to processing a transaction at various sites. One transaction may have various parts that are keyed in at different cash drawers (example: cash received in mailroom for disabled placard, placard issued and application information keyed in at another station). Payments must be associated with a transaction. The processing must be in real time to avoid delays in process updates.

A.1.1.6 Record Monetary Adjusting Entry

The purpose of this process is to record the monetary amount of overage or underage that cannot be reconciled and the reason the adjustment was required.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of DRAWER ADJUSTMENT is created.

Implementation Consideration: During the reconciliation process, an incorrectly recorded payment, refund, or activity may be identified. System must provide the ability for the correction of all erroneous entries prior to the cash drawer being recorded as reconciled. An audit trail would exist for the activities before and after the adjustment.

A.1.1.7 Record Approval of Monetary Adjusting Entry

The purpose of this process is to record approval of one or more monetary adjusting entries by the staff member and supervisor designated with this responsibility.

Pre Condition: One or more occurrences of DRAWER ADJUSTMENT must exist. The occurrence of SUPERVISOR must exist.

Post Condition: One or more occurrences of DRAWER ADJUSTMENT are updated.

A.1.1.8 Record Completion of Reconciliation

The purpose of this process is to record that the reconciliation of a cash drawer has been completed and the monetary value of the cash drawer has been reconciled.

The system will not proceed to next business transaction unless and until the system has recorded completion of successful reconciliation. Provide for system administrator's override of this function to permit continuation of work. Also provide for approval of override by supervisor.

Pre Condition: This occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: This occurrence of CASH DRAWER STATUS is created.

A.1.2 Payment Maintenance

A.1.2.1 Record Receipt of Payment at Cash Drawer

The purpose of this process is to record that a customer's payment for one or more activities has been received and is included in a cash drawer's balance. The system must provide for the calculation of fees, credits, taxes, penalties and interest. The point of sale system must interface with the TRUST database to access the appropriate fees and taxes

Pre Condition: This occurrence of PAYMENT does not exist. One or more occurrences of ACTIVITY must exist. An occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of PAYMENT are created. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with appropriate ACTIVITY. One or more occurrences of ACTIVITY PAYMENT is created and associated with the appropriate ACTIVITY.

Implementation Considerations: System must provide for receipt of all methods of payments. For payments by credit/debit card, provide the ability to electronically read and record credit/debit card information and to validate and record credit/debit card authorization information in system. For payments by check, provide the ability to use electronic check acceptance equipment. Additionally, the system must provide for split payment types where the customer can pay for a transaction with a combination of any method of payment.

Provide the ability to electronically perform check acceptance and record the information in system.

A.1.2.2 Record Receipt of Journal Voucher at Cash Drawer

The purpose of this process is to record a receipt of Journal Voucher received from different state agencies.

Pre Condition: This occurrence of PAYMENT does not exist. One or more occurrences of ACTIVITY must exist. An occurrence of CASH DRAWER ACTIVITY must exist.

Post Condition: One or more occurrences of PAYMENT are created. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with appropriate ACTIVITY. One or more occurrences of ACTIVITY PAYMENT is created and associated with the appropriate ACTIVITY.

A.1.2.3 Record Bad Check

The purpose of this process is to record that a bad check has been received as payment for one or more activities and to record that funds associated with this check cannot be applied as payment for the activity, and to 'flag' the customer that remitted the bad check. The system must provide for the ability to invalidate any transactions connected with a bad check for payment. Also the system must provide an interface with the TRUST system to trigger a letter notifying the customer of a bad check. When a check is cleared the system must provide for validating the original transaction. The system must provide for status codes (i.e., valid, invalid) to change status of previous transactions or put a stop on future transactions

Pre Condition: This occurrence of PAYMENT must exist. One or more occurrences of ACTIVITY must exist. This occurrence of CUSTOMER must exist.

Post Condition. This occurrence of CUSTOMER and one or more occurrences of PAYMENT are updated. One or more occurrences of SUPPORTING DOCUMENT may be created and associated with appropriate ACTIVITY.

A.1.2.4 Record Deposit

The purpose of this process is to summarize the receipts for the bank deposit. Depending on the site, reports must be generated to facilitate summary of bank deposit information.

Condition: This occurrence of DEPOSIT does not exist. One or more occurrences of PAYMENT must exist.

Post Condition: This occurrence of DEPOSIT is created and associated with all PAYMENT(s) included in the amount deposited.

A.1.3 County Fee Remittance

A.1.3.1 Record County Remittance of Fees and Receipt of Work

The purpose of this process is to record that a county has remitted to the State fees collected for services and/or associated penalties for the late remittance of fees and received the work (title and registration applications, renewals and other documents) included with the invoice for these services.

Remittances must be recorded in account number order. A standard remittance summary report must be generated to accompany the County's invoice. The invoice must include all the County transaction detail and must link to the summary report.

The system must provide for the recording of invoice dates and receipt dates for the remittances and work received by the T&R Division staff. The dates are recorded to determine whether the County remittances and work were delinquent or on time. The system must interface with the TRUST letter database to trigger the generation of a delinquency letter.

Pre Condition: This occurrence of OFFICE and one or more occurrences of ACTIVITY FEE TAX must exist. One or more occurrences of PENALTY related to previous REMITTANCE(s) may exist. This occurrence of REMITTANCE does not exist.

Post Condition: This occurrence of REMITTANCE is created.

Implementation Considerations: Counties not using the State sponsored IPSIS must be required to submit their remittance information in defined electronic formats to comply with the standardized remittance summary report and invoice information.

A.3 Report Listing

The following is a listing of reports required for the system. Prior to system implementation, it is anticipated that there must be additional reports and variations to the list shown below. The Vendor will design the report layouts for the following reports and will deliver these layouts during the Design Phase. However, the State will create the reports; the vendor is only responsible for report design. For reference purposes the following are provided:

- Bad Check Report
- Cash Drawer Activity Report
- Cash Drawer Closing Report
- Daily Invoice Report
- Credit Or Debit Card Activity
- Daily Audit Report
- Daily Deposit Summary Report
- Funds Due From Counties
- Inadequate Funds Report
- Issued Plates And Decals
- Overdue Funds Report
- Fee List
- Quantity Of Plates Received And Fees Collected
- Refund Transaction Report
- Summarized Daily Remittance
- Transaction Receipt
- Wheel Taxes Report

CONTRACT SUMMARY SHEET

060706

RFS # 317.03 — 134 — 07		Contract # FA-07-16894-00	
State Agency Finance and Administration		State Agency Division Office for Information Resources	
Contractor Name System Innovators, Inc.		Contractor ID # (FEIN or SSN) <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 59-3227491	
Service Description Enterprise Resource Planning (ERP) software and support services.			
Contract Begin Date	Contract End Date	SUBRECIPIENT or VENDOR?	CFDA #
Final Signature Date:	PERPETUAL STARS End Date: 06/30/2011	VENDOR	

Mark Each TRUE Statement:

Contractor is on STARS Contractor's Form W-9 is on file in Accounts

Allocation Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.30	SYISL	083	15		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$310,889.00				\$310,889.00
2008	\$ 48,050.00				\$ 48,050.00
2009	\$ 50,450.00				\$ 50,450.00
2010	\$ 52,980.00				\$ 52,980.00
2011	\$ 55,620.00				\$ 55,620.00
2012					
TOTAL	\$517,989.00				\$517,989.00

COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Maureen Abbey 741-6070
			State Agency Budget Officer Approval
			<i>Maureen Abbey</i>
			Funding Certification (certification required by O.A. § 924.0113 that there is a balance in the appropriation from which the proposed expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
			<i>M.D. Garty, Jr.</i>
TOTAL			
End Date			

Contractor Ownership (complete only for base contracts with contract prefix FA or GR)

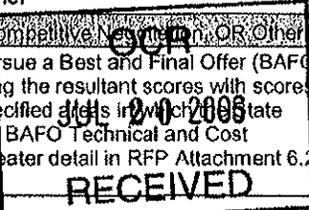
African American Person w/ Disability Hispanic Small Business NOT minority/disadvantaged
 Asian Female Native American OTHER minority/disadvantaged—

Contractor Selection Method (complete for ALL base contracts— N/A to amendments or delegated authorities)

RFP Competitive Negotiation Alternative Competitive Method
 Non-Competitive Negotiation Negotiation w/ Government (e.g., ID, GG, GU) Other

Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The means of procurement was RFP 317.03-134. During the course of the RFP process the decision was made to pursue a Best and Final Offer (BAFO) process. In summary, this BAFO process entailed receiving Initial Technical Proposals, evaluating these and combining the resultant scores with scores from the Software Demonstrations. The State then prepared a BAFO Request document for each Proposer, which specified details in which the state needed further clarification or response from the Proposer. The Proposer then responded to the BAFO Request with a BAFO Technical and Cost Proposal. These were evaluated and the apparently successful Proposer was named. This process is described in greater detail in RFP Attachment 6.20, and in the Alternative Procurement Method Request that appears in the accompanying documentation.


 JUN 20 2008

CONTRACT SUMMARY SHEET

060706

RFS #		Contract #	
317.03 — 134 — 07		FA-07-76894-00	
State/Agency		State/Agency Division	
Finance and Administration		Office for Information Resources	
Contractor Name		Contractor ID # (FEIN or SSN)	
System Innovators, Inc.		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 59-3227491	
Service Description			
Enterprise Resource Planning (ERP) software and support services.			
Contract Begin Date		Contract End Date	
Final Signature Date:		PERPETUAL STARS End Date: 06/30/2011	
		VENDOR	
		SUBRECIPIENT or VENDOR?	
		CFDA #	

Mark Each TRUE Statement					
<input type="checkbox"/> Contractor is on STARS			<input type="checkbox"/> Contractor's Form W-9 is on file in Accounts		
Allotment Code	Cost Center	Object Code	Fund	Funding Grant Code	Funding Subgrant Code
317.30	SYISL	083	15		
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2007	\$310,889.00				\$310,889.00
2008	\$ 48,050.00				\$ 48,050.00
2009	\$ 50,450.00				\$ 50,450.00
2010	\$ 52,980.00				\$ 52,980.00
2011	\$ 55,620.00				\$ 55,620.00
2012					
TOTAL	\$517,989.00				\$517,989.00

— COMPLETE FOR AMENDMENTS ONLY —			State Agency Fiscal Contact & Telephone #		
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Maureen Abbey 741-6070		
			State Agency Budget Officer Approval		
					
			<small>Funding Certification (certification required by 28 P.A.S. 8745.13) that there is a balance in the appropriation from which the obligated expenditure is required to be paid and is not otherwise encumbered to pay obligations previously incurred.</small>		
TOTAL					
End Date					

Contractor Ownership (complete only for base contracts with contract # prefix FA or GR)					
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input checked="" type="checkbox"/> Small Business	<input type="checkbox"/> NOT minority/disadvantaged	
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—		

Contractor Selection Method (complete for ALL base contracts—N/A to amendments or delegated authorities)					
<input checked="" type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation		<input checked="" type="checkbox"/> Alternative Competitive Method		
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (e.g., ID, GG, GU)		<input type="checkbox"/> Other		

Procurement Process Summary (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)

The means of procurement was RFP 317.03-134. During the course of the RFP process the decision was made to pursue a Best and Final Offer (BAFO) process. In summary, this BAFO process entailed receiving Initial Technical Proposals, evaluating these and combining the resultant scores with scores from the Software Demonstrations. The State then prepared a BAFO Request document for each Proposer, which specified areas in which the State needed further clarification or response from the Proposer. The Proposer then responded to the BAFO Request with a BAFO Technical and Cost Proposal. These were evaluated and the apparently successful Proposer was named. This process is described in greater detail in RFP Attachment 6.20, and in the Alternative Procurement Method Request that appears in the accompanying documentation.

**SOFTWARE LICENSE
BETWEEN THE STATE OF TENNESSEE
AND
SYSTEM INNOVATORS, INC.**

This Software License (the "Contract"), by and between the State of Tennessee, by and through the Department of Finance and Administration, hereinafter referred to as the "Licensee" and System Innovators, Inc., hereinafter referred to as the "Software Provider," is for the provision of software and support services pertaining to Licensee's Enterprise Resource Planning (ERP) Software and Services project, as further defined in the "SCOPE OF SERVICES."

The Software Provider is a for-profit corporation. The Software Provider's address is:

10550 Deerwood Park Blvd., Suite 700
Jacksonville, Florida 32256

The Software Provider's place of incorporation or organization is Florida.

A. SCOPE OF SERVICES:

A.1. General Scope. The Software Provider will provide the software license and support as set forth in this Contract.

A.2. Definitions and Relationship of Software Provider, State as Licensee, and Licensee's implementation vendor.

A.2.a. The Software Provider agrees to fully cooperate with the Licensee's implementation vendor, hardware vendor, other software vendors, and /or contractors throughout the implementation of the software, and thereafter, to assist in the determination of the cause of any issues related to the software and/or the system as implemented. The Software Provider is responsible, in accordance with the Warranty and Support provisions of this Software License, for the resolution of issues as related to the software licensed to the Licensee by the Software Provider.

A.2.b. While the Licensee has a contract with the implementation vendor, the Licensee's implementation vendor shall manage and coordinate the implementation efforts of the Software Provider. The Software Provider must enter into a written agreement (subcontract) with the implementation vendor. This relationship notwithstanding, throughout the term of the Software License, Licensee may contact the Software Provider directly if such contact is deemed by Licensee to be in the best interest of the ERP project.

A.3 Specific Software Provisions.

A.3.a. The Software Provider shall provide Licensee with the software and ongoing technical support for the software products described in Attachment A to this Contract, attached hereto and made a part hereof by reference. "Software" shall mean all products listed by name in Attachment A, including, but not limited to, modules, complete applications, components, builds, add-ons, plug-ins, and individual lines of software code; and including the Contractor-Owned Software, Custom-Developed Application Software, and Rights Transfer Application Software as those terms are defined herein in Section D.4. This Contract, including its attachments, is the sole agreement between Licensee and Software Provider with respect to the Software. Licensee will not enter into any other software licensing agreements with the Software Provider for the products listed in Attachment A.

A.3.b. Software Provider hereby grants to Licensee a non-exclusive, non-transferable, irrevocable, perpetual license with right of sublicense, to use the Contractor-Owned Software for Licensee's Internal Business Operations, but not including the right to market or sell the software for commercial purposes, in machine-readable object code in the Territory (the "License"). "Internal Business Operations" shall mean all

business of any kind undertaken by or on behalf of the State of Tennessee, its agents or its representatives. "Territory" shall mean throughout the world.

A.3.c. Under this Contract, the following licensure provisions apply:

- i. Unlimited User License. Unlimited numbers of Licensee users shall be able to access and use the Software, in accordance with the terms of this License, including but not limited to, employees of Licensee, service providers or potential service providers of Licensee, and non-employee individuals transacting business of any kind with Licensee.
- iii. Unlimited Device License. Licensee may install the Software on an unlimited number of devices, in accordance with the terms of this License.

A.3.d. The License includes access to documentation and other proprietary information related to the Software (the "Proprietary Information"), which Software Provider shall deliver to Licensee promptly upon execution of the Contract and which Software Provider shall update and supplement as required during the Term of this License, in accordance with Section A.4 below.

A.3.e. Licensee shall not copy, retain, or disclose Proprietary Information or the Software except to the extent necessary for the performance of this Contract and the use of the Software, and except as required by law.

A.3.f. The License includes the right to make Modifications to the Software as Licensee determines is necessary. "Modifications" shall mean any revisions or improvements made to the Software.

A.3.g. All right, title and interest in and to the Software shall be governed by the provisions contained in Section D.4 of this Agreement.

A.3.h. Software Provider Responsibilities. Software Provider shall:

- i. Install the Software in Licensee's development environment and demonstrate successful completion of the Vendor Baseline Test Suite (The "Initial Software Installation"). "Vendor Baseline Test Suite" means that all baseline software as proposed (including any 3rd party software proposed and required to meet functional requirements in the RFP) has been properly installed and is functioning as intended; and Software Provider's test suite has been run and verified against installed software. See Contract Attachment B for the Vendor Baseline Test Suite.
- ii. Provide Support as defined in Section A.4 of this Agreement, renewable annually, for the full Term of the Contract.
- iii. For successful performance of these duties, Software Provider will be compensated in accordance with Section C.3.

A.3.i. Licensee Responsibilities. Licensee's responsibilities under this Agreement are to be provided at no charge to Software Provider and shall include:

The Licensee will (i) Provide Software Provider access to software, systems, and personnel including third party technical support as necessary for the acceptance of the System; (ii) Explain software requirements to Software Provider personnel and provide copies of data on printed materials and/or magnetic storage media that may assist Software Provider in delivering properly configured Software; and (iii) Provide Software Provider with a Virtual Private Network "VPN" connection to enable remote and support of the System defined within this Contract.

The Licensee will ensure the following training related activities are undertaken; (i) Schedule qualified and sufficient staff to attend the various training classes; (ii) Ensure staff scheduled for 'Train the Trainer' training attend training sessions and prepare suitable Licensee-specific materials as appropriate, and (iii) Ensure Licensee operations personnel and support personnel attend training as scheduled.

Licensee is responsible for the results obtained from the use of the Software Provider' Products and Services, and is solely responsible for the actual content of any data file, selection and implementation of controls on its access and use, and security of the stored data. The parties acknowledge that Licensee is the exclusive owner of any and all stored data.

A.3.j. Export Control. The Software, documentation, and other proprietary information are or may be subject to regulation by agencies of the U.S. Government, including the U.S. Department of Commerce, prohibiting the export or diversion of certain technical products to certain countries.

A.4. Technical Support.

A.4.a. Software Provider's primary activities for Technical Support are fully dependent on the availability of efficient and cost effective remote access to the Licensee Network (i.e. a Virtual Private Network "VPN" connection provided by Licensee). Reported problem severities used for Technical Support under this agreement are defined as follows:

Severity	General Definition
1 – Critical	System inoperative, system down, high priority problems with potentially high impact to the Licensee business
2 – Major	Important to business, but not vital that it is resolved immediately (medium business impact)
3 – Minor	Not crucial to overall operation of the System, minor impact to the business, or a suitable work-around has been provided to the Licensee (low business impact)

Software Provider shall provide the following services under this Contract for the Software: (i) Help desk support including technical assistance by telephone, Internet, modem, email and/or courier; (ii) Correction of errors or deficiencies in licensed Software Provider Software; (iii) Maintenance of customized software at Software Provider office for access by Software Provider personnel; (iv) Development and configuration services for changes required by legislation or policy; (v) Development and configuration services for maintenance of application programming Interfaces (API) created by Software Provider; (vi) Maintenance releases of licensed Software Provider Software and documentation, as available; (vii) Development and configuration services required to upgrade Covered Software to a more recent, released version, (viii) Off-site backup of Software Provider iNovah source code and Licensee-specific customizations; (ix) Telecommunication charges associated with Software Provider initiated calls for telephone and remote support services; (x) Toll-free telephone service for incoming Licensee support calls; and (xi) Postage and freight charges associated with the delivery of Software Provider software and documentation updates.

Software Provider provides Support for licensed Software Provider Software, that has been Accepted and installed a production environment as follows; (i) Critical issues receive full time attention until the problem is resolved or a work around has been identified; (ii) Major level issues are addressed within 48 hours, and (iii) Minor issues are addressed within 5 business days. (iv) If a problem is resolved by software programming change, the change will be included in an upcoming release of the software. (v) Critical and/or Major fixes may also be supplied as temporary 'patch' for immediate use in advance of a full or planned release.

The following services are specifically excluded from Technical Support: (i) Programming services relating to custom enhancements or modifications not specified in this Contract, (ii) the creation or modification of additional programs or new interfaces to other applications; (iii) training services; and (iv) support of any software or 3rd party system not defined under this Contract. Such services, if requested by the Licensee, may be provided by Software Provider for an additional fee.

A.4.b. The Software Provider shall provide technical support to Licensee—via on-line interface and toll-free telephone number—for the Software ("Support"). Support shall be available Monday through Friday, excluding State holidays, between the hours of 7:00 AM and 7:00 PM Central Time. The personnel responding to these requests and providing this support shall be trained to enable them, in most cases, to

[Handwritten signature]

address questions and solve problems themselves, without having to escalate the questions for response.

- A.4.c. In the event that a problem does require escalation, the Software Provider shall respond to requests for technical support, or requests for information within the time frames specified in Section A.4.a, by either correcting the problem, providing technical support or information requested, or providing a plan, including a delivery date, for the problem correction, technical support or information requested. Responses to problems identified by Licensee as Critical will be made within one (1) calendar day.
- A.4.d. The Software Provider shall also make available to Licensee, at no additional cost, any software improvements made commercially available, including, but not limited to: upgrades, patches, and new version releases.
- A.4.e. Compensation to the Software Provider for Support is included within the Annual Ongoing Software License fees detailed in Section C.3.a.
- A.5. Provision of Source Code.
 - A.5.a. The Software Provider shall provide to the Licensee all source code for the Software, including source code for any subsequent upgrades, releases, and/or new versions of the Software.
 - A.5.b. Within fifteen (15) calendar days after Licensee's approval of the Software License, the Software Provider shall provide the Licensee with the latest version of the Software source code.
 - A.5.c. Throughout the term of the contract, the Software Provider shall ensure that the Licensee's copy of the Software source code is kept current with Licensee's production environment, matching Licensee's production version level, including any upgrades, enhancements, or new releases that are applied to Licensee's system.
- A.6. Representations and Warranties. Software Provider represents and warrants that the Software will perform substantially in accordance with its documentation and that the Software, or Licensee's use of the Software as permitted under this Agreement, does not infringe the copyrights, trademarks, trade secrets, or other intellectual property or other proprietary right of any third party. The term of the Warranty Period for the software performing substantially in accordance with its documentation shall be limited to twelve (12) months, from the date that the Software in question is used in a production mode in the Licensee's ERP system. The term of the Warranty Period with regard to non-infringement shall be perpetual.
- B. SOFTWARE LICENSE TERM: The Contract "effective date" shall be the date the last signature is affixed to the Contract signature page; the Contract, including the License shall be perpetual.
- C. PAYMENT TERMS AND CONDITIONS:
 - C.1. Maximum Liability. In no event shall the maximum liability of Licensee under this Contract exceed Five Hundred Seventeen Thousand, Nine Hundred Eighty-Nine Dollars, and No Cents (\$517,989.00) (the "Value of the Contract"). The License Fees in Section C.3 shall constitute the entire compensation due the Software Provider for the Service and all of the Software Provider's obligations hereunder regardless of the difficulty, materials or equipment required. The License Fees include, but are not limited to, all applicable taxes, fees, overheads, and all other direct and indirect costs incurred or to be incurred by the Software Provider, with the exception of Contract Section C.4.

The maximum liability represents available funds for payment to the Software Provider and does not guarantee payment of any such funds to the Software Provider under this Contract unless the Software Provider provides the required services. In which case, the Software Provider shall be paid in accordance with the License Fees detailed in Section C.3. Licensee is under no obligation to request services from the Software Provider in any specific dollar amounts or to request any services at all from the Software Provider during any period of this Contract.

C.2. Compensation Firm. Except as specified under C.3.a, the License Fees and the Maximum Liability of Licensee are firm for the Term of the License and are not subject to escalation for any reason unless amended.

C.3. Payment Methodology. The Software Provider shall be compensated based on the License Fees defined herein in a total amount not to exceed the Maximum Liability established in Section C.1. The Software Provider's compensation shall be contingent upon the satisfactory completion of Software Provider's duties defined in Section A herein. The Software Provider shall be compensated based upon the following License Fees:

C.3.a. License Fees.

Core Software	Amount
Finance, Procurement, Logistics Software	
Financial Management	\$ 260,000.00
Core Software License	\$ 260,000.00

Payment Number	Core Software Description	Est Pmt Mo	Payment Percentage	Payment Amount
1	Initial Software Installation, Payment Made to Software Vendor Based on Completed Vendor Baseline Test Suite	Jul-06	50%	\$ 130,000.00
2	Final Software Installation Payment	Jan-07	50%	\$ 130,000.00
3	Annual Ongoing Technical Support Fees, Year 1	Jul-06	100%	\$ 45,760.00
4	Annual Ongoing Technical Support Fees, Year 2	Jul-07	100%	\$ 48,050.00
5	Annual Ongoing Technical Support Fees, Year 3	Jul-08	100%	\$ 50,450.00
6	Annual Ongoing Technical Support Fees, Year 4	Jul-09	100%	\$ 52,980.00
7	Annual Ongoing Technical Support Fees, Year 5	Jul-10	100%	\$ 55,620.00
	Total Software and Ongoing License and Annual Maintenance			\$ 512,860.00

Software Provider agrees that any increases in Annual Ongoing Software License fees for the licensed software that the Software Provider may wish to make upon completion of the Annual Ongoing Software License payments provided for in the table above shall not be greater than the increase in the Consumer Price Index (CPI) over the twelve month period prior to the effective date of the desired increase. CPI as used herein means the U.S. Consumer Price Index for all Urban Consumers, U.S. City Average - All Items 1982-1984 = 100 Base for the applicable twelve (12) month period as published by the Bureau of Labor Statistics. Notwithstanding the foregoing, in any event Licensee shall only pay a License Fee equal to or less than the lowest License Fee being paid by any similarly situated licensee in any year during the Term.

C.3.b. Milestone Completion Criteria and Payment Methodologies. The completion of the above milestones shall be defined as follows:

C.3.b.i. Core Software Payment Methodology.

- 1) Initial Software Installation. The Licensee shall compensate the Software Provider for Payment Number 1 above upon completion and the Licensee's written approval of the Vendor Baseline Test Suite. Payment will equal 50% of the Core Software License fee.
- 2) Final Software Installation. The Licensee shall compensate the Software Provider for Payment Number 2 above six months after completion of the Licensee's approval of the Vendor Baseline Test Suite. Payment will equal 50% of the Core Software License fee.

3) Annual Ongoing Technical Support Fees for License Years 1 through 5. The Licensee shall compensate the Software Provider for Year 1 Technical Support upon completion and the Licensee's written approval of the Baseline Vendor Test Suite. Subsequent Annual License payments for Years 2 through 5 shall be made on the anniversary date of the Year 1 payment.

C.3.c. In the event that this Contract is terminated prior to the end of any Annual Licensure Fee year, then the Software Provider shall prorate the Annual Ongoing Software License fee and shall reimburse Licensee for the full monetary amount of the remainder of the unused licensure year.

C.3.d. The Software Provider shall submit invoices in form and substance acceptable to Licensee with all of the necessary supporting documentation, prior to any payment.

C.3.e. If payments are not made in accordance with the terms of this Agreement, Software Provider reserves the right to suspend performance under this Agreement, without incurring liability. However, such right to suspend performance is contingent upon Software Provider providing written notice to Licensee to the attention of Licensee contact given in Section D.2 herein, with a copy to General Counsel, Department of Finance and Administration, Suite 2100, Wm. R. Snodgrass Tennessee Tower, Nashville, Tennessee 37243, at least fifteen (15) days prior to such intended suspension.

C.3.f. Additional User License Fees. Under the License granted through this Contract, the Licensee may have unlimited users, employee counts, and transaction (receipt) throughput. The Licensee shall compensate the Software Provider for additional blocks of 100 users in accordance with the following licensure fee structure:

	Proposed Fee for One (1) Additional Block of 100 User Licenses
Core System Users (Financial Management, iNovah)	\$0.00
Other Software Users (Users of Other Software Listed in Contract Attachment A)	\$0.00

C.3.g. Additional Device License Fees. The Licensee may install the Software on an unlimited number of devices. The Licensee shall compensate the Software Provider for each additional Device License in accordance with the following licensure fee structure:

	Proposed Fee to Install the Software On One (1) Additional Device
iNovah (Installed on additional devices)	\$0.00
Other Software (Users of Other Software Listed in Contract Attachment A, installed on additional devices)	\$0.00

C.4 Travel Compensation. The Licensee shall reimburse the Contractor for travel specifically related to the system support provisions of this Contract (Section A.4) and undertaken in each event with prior written approval of the Licensee. Such Compensation for travel, meals, or lodging shall be subject to amounts and limitations specified in the "State Comprehensive Travel Regulations," as they are amended from time to time. The State Comprehensive Travel Regulations may be found at the following website: <http://tennessee.gov/finance/act/travel.html>

- C.5. Payment of Invoice. The payment of the invoice by Licensee shall not prejudice Licensee's right to object to or question any invoice or matter in relation thereto. Such payment by Licensee shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any of the amounts invoiced therein.
- C.6. Invoice Reductions. The Software Provider's invoice shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by Licensee, on the basis of audits conducted in accordance with the terms of this contract, not to constitute proper remuneration for compensable services.
- C.7. Deductions. Licensee reserves the right to deduct from amounts which are or shall become due and payable to the Software Provider under this or any contract between the Software Provider and Licensee any amounts which are or shall become due and payable to the Licensee by the Software Provider.
- C.8. Automatic Deposits. The Software Provider shall complete and sign an "Authorization Agreement for Automatic Deposit (ACH Credits) Form." This form shall be provided to the Software Provider by Licensee. Once this form has been completed and submitted to Licensee by the Software Provider all payments to the Software Provider, under this or any other contract the Software Provider has with Licensee shall be made by Automated Clearing House (ACH). The Software Provider shall not invoice Licensee for services until the Software Provider has completed this form and submitted it to Licensee.

D. SPECIAL TERMS AND CONDITIONS:

- D.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, these special terms and conditions shall control.
- D.2. Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by facsimile transmission, by overnight courier service, or by first class mail, postage prepaid, addressed to the respective party at the appropriate facsimile number or address as set forth below or to such other party, facsimile number, or address as may be hereafter specified by written notice.

The State:

Stephanie Richardson, Edison Project Director
Department of Finance and Administration, Enterprise Resource Planning Division
162 3rd Ave. North
Nashville, TN 37243
Phone: (615) 253-2725
Fax: (615) 253-2980

The Software Provider:

Roger Nelson
System Innovators, Inc.
10550 Deerwood Park Blvd, Suite 700
Jacksonville, Florida, 32256
Phone: (904) 485-3979
Fax: (904) 281-0075

All instructions, notices, consents, demands, or other communications shall be considered effectively given as of the day of delivery; as of the date specified for overnight courier service delivery; as of three (3) business days after the date of mailing; or on the day the facsimile transmission is received mechanically by the telefax machine at the receiving location and receipt is verbally confirmed by the sender if prior to 4:30 p.m. CST. Any communication by facsimile transmission shall also be sent by United States mail on the same date of the facsimile transmission.

- D.3. Subject to Funds Availability. This Contract is subject to the appropriation and availability of State and/or Federal funds. In the event that the funds are not appropriated or are otherwise unavailable, Licensee reserves the right to terminate the Contract upon written notice to the Software Provider. Said termination shall not be deemed a breach of contract by Licensee. Upon receipt of the written notice, the Software

Provider shall cease all work associated with the Contract. Should such an event occur, the Software Provider shall be entitled to compensation for all satisfactory and authorized services completed as of the termination date. Upon such termination, the Software Provider shall have no right to recover from Licensee any actual, general, special, incidental, consequential, or any other damages whatsoever of any description or amount.

D.4. Ownership.

D.4.a. Definitions of Software Categories. The Software may be comprised of the following portions:

D.4.b. "Contractor-Owned Software," which shall mean commercially available application Software the rights to which are owned by Software Provider, including but not limited to commercial "off-the-shelf" Software which is not developed using Licensee's money or resources.

D.4.c. "Custom-Developed Application Software," which shall mean customized application software developed by Software Provider solely for Licensee.

D.4.d. "Rights Transfer Application Software," which shall mean any pre-existing Software owned by Software Provider, provided to Licensee and to which Software Provider grants and assigns all of its rights, including the source code, to Licensee. (The Rights Transfer Application Software and the Custom-Developed Application Software shall collectively be known as "Work Product.")

D.4.e. Title to the Software

i. All right, title and interest in and to the Contractor-Owned Software shall at all times remain with Software Provider, subject to the license granted herein.

ii. All right, title and interest in and to the Work Product, and to Modifications (collectively, the "Developed Software") made by Licensee including without limitation all copyrights, patents, trade secrets and other intellectual property and other proprietary rights embodied by and arising out of the Developed Software, shall belong to Licensee. To the extent such rights do not automatically belong to Licensee, Software Provider hereby assigns, transfers, and conveys all right, title and interest in and to the Developed Software, including without limitation the copyrights, patents, trade secrets, and other intellectual property rights arising out of or embodied by the Developed Software. Software Provider shall execute any other documents that Licensee or its counsel deem necessary or desirable to document this transfer and/or allow Licensee to register its claims and rights to such intellectual property rights or enforce them against third parties, and Software Provider shall cooperate fully in the foregoing endeavors. Licensee hereby grants Software Provider a non-exclusive, limited and revocable license to use the Developed Software, only in connection with other state and local government entities and only after obtaining Licensee's prior approval, which approval shall not be unreasonably withheld.

D.4.f. Acquired Knowledge and Skills. Nothing in this Contract shall prohibit the Software Provider's use for its own purposes of the general knowledge, skills, experience, ideas, concepts, know-how, and techniques obtained and used during the course of providing the services requested under this Contract.

D.4.g. Development of Similar Materials. Nothing in the Contract shall prohibit the Software Provider from developing for itself, or for others, materials which are similar to and/or competitive with those that are produced under this Contract.

D.5. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Software Provider by the State or acquired by the Software Provider on behalf of the State shall be regarded as confidential information in accordance with the provisions of applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards. Such confidential information shall not be disclosed, and all necessary steps shall be taken by the Software Provider to safeguard the confidentiality of such material or information in conformance with applicable state and federal law, state and federal rules and regulations, departmental policy, and ethical standards.

The Software Provider's obligations under this section do not apply to information in the public domain; entering the public domain but not from a breach by the Software Provider of this Contract; previously possessed by the Software Provider without written obligations to the State to protect it; acquired by the Software Provider without written restrictions against disclosure from a third party which, to the Software Provider's knowledge, is free to disclose the information; independently developed by the Software Provider without the use of the State's information; or, disclosed by the State to others without restrictions against disclosure. Nothing in this paragraph shall permit Software Provider to disclose any information that is confidential under federal or state law or regulations, regardless of whether it has been disclosed or made available to the Software Provider due to intentional or negligent actions or inactions of agents of the State or third parties.

It is expressly understood and agreed the obligations set forth in this section shall survive the termination of this Contract.

- D.6. HIPAA Compliance. Licensee and Software Provider shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations.
- a. Software Provider warrants to Licensee that it is familiar with the requirements of HIPAA and its accompanying regulations, and will comply with all applicable HIPAA requirements in the course of this contract.
 - b. Software Provider warrants that it will cooperate with Licensee, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA.
 - c. Licensee and the Software Provider will sign documents, including but not limited to business associate agreements, as required by HIPAA and that are reasonably necessary to keep Licensee and Software Provider in compliance with HIPAA. This provision shall not apply if information received by Licensee under this Contract is NOT "protected health information" as defined by HIPAA, or if HIPAA permits Licensee to receive such information without entering into a business associate agreement or signing another such document.
 - d. The Software Provider agrees that it shall be liable for any charges imposed by the Federal Government on the Licensee as a result of any claim related to HIPAA non-compliance, to the extent that such claim is related to products provided by the Software Provider.
- D.7. Copyrights and Patents. The Software Provider agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims or suits which may be brought against the State for infringement of any laws regarding patents or copyrights which may arise from the Software Provider's performance of this Contract. In any such action brought against the State, the Software Provider shall satisfy and indemnify the State for the amount of any final judgment for infringement. The Software Provider further agrees it shall be liable for the reasonable fees of attorneys for Licensee in the event such service is necessitated to enforce the terms of this provision. The State shall give the Software Provider written notice of any such claim or suit and full right and opportunity to conduct the Software Provider's own defense thereof.
- D.8. Date/Time Hold Harmless. The Software Provider shall hold harmless and indemnify Licensee; its officers and employees; and any agency or political subdivision of Licensee for any breach of contract caused directly or indirectly by the failure of computer software or any device containing a computer processor to accurately or properly recognize, calculate, display, sort or otherwise process dates or times.
- D.9. Limitation of Liability. The Software Provider's liability to the Licensee, and its indemnification of the Licensee for any acts or omissions attributable to the Software Provider under this Contract, shall be limited to two (2) times the value of the Contract. The value of the contract shall be determined by the Licensee's Maximum Liability provisions in Paragraph C.1. of this Contract, or as such Maximum Liability may be amended. This limitation applies to all causes of action, including without limitation, breach of contract, breach of warranty, negligent acts, but specifically shall not apply to criminal acts, intentional

torts or fraudulent conduct of the Software Provider. The Licensee will not indemnify the Software Provider for damages caused by the Software Provider's own actions or negligence, or those of third parties.

- D.10. Accessibility. The implemented software solution must be accessible to individuals with disabilities at the time the software is put into productional use. This includes addressing the Americans with Disabilities Act (ADA) Section 508 standards and Web Accessibility Initiative (WAI) Web Content Accessibility Priority 1 guidelines. If the Licensee notifies the Software Provider that a person has made a claim against the Licensee concerning accessibility of products furnished by the Software Provider under this contract, the Software Provider will work with the Licensee in an effort to remedy the claim in a timely manner. To the extent that the claim is related to products provided by the Software Provider, the Software Provider further agrees that it shall be liable for the actual costs of attorney fees to defend the Licensee and the monetary amount of any judgments rendered against the Licensee as a result of any such claim.
- D.11. COBRA Compliance. The implemented software solution must comply with the Consolidated Omnibus Budget Reconciliation Act (COBRA). The Software Provider agrees that it shall be liable for any charges imposed by the Federal Government on the Licensee as a result of any claim related to COBRA compliance, to the extent that such claim is related to products provided by the Software Provider.
- D.12. Incorporation of Additional Documents. Included in this Contract by reference are the following documents:
- a. The Contract
 - b. Attachments to the Contract

In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these documents shall govern in order of precedence detailed above.

STANDARD TERMS AND CONDITIONS:

- E.1. Required Approvals. Licensee is not bound by this Contract until it is approved by the appropriate State officials in accordance with applicable Tennessee State laws and regulations, as indicated by the signatures of said officials being affixed to the contract.
- E.2. Modification and Amendment. This Contract may be modified only by a written amendment executed by all parties hereto and approved by the appropriate Tennessee State officials in accordance with applicable Tennessee State laws and regulations.
- E.3. Termination for Convenience. Licensee may terminate this Contract without cause for any reason. Said termination shall not be deemed a Breach of Contract by Licensee. Licensee shall give the Software Provider at least thirty (30) days written notice before the effective termination date. The Software Provider shall be entitled to receive compensation for satisfactory, authorized service completed as of the termination date, but in no event shall Licensee be liable to the Software Provider for compensation for any service which has not been rendered. Upon such termination, the Software Provider shall have no right to any actual general, special, incidental, consequential, or any other damages whatsoever of any description or amount.
- E.4. Termination for Cause. If the Software Provider fails to properly perform its obligations under this Contract in a timely or proper manner, or if the Software Provider violates any terms of this Contract, Licensee shall have the right to immediately terminate the Contract and withhold payments in excess of fair compensation for completed services. The State will invoke its right to terminate under this provision only for a material breach of the Contract. Notwithstanding the above, the Software Provider shall not be relieved of liability to Licensee for damages sustained by virtue of any breach of this Contract by the Software Provider.
- E.5. Subcontracting. The Software Provider shall not assign this Contract or enter into a subcontract for any of the services performed under this Contract without obtaining the prior written approval of Licensee. If such subcontracts are approved by Licensee, they shall contain, at a minimum, sections of this Contract

pertaining to "Conflicts of Interest" and "Nondiscrimination" (sections E.6. and E.7.). Notwithstanding any use of approved subcontractors, the Software Provider shall be responsible for all work performed.

- E.6. Conflicts of Interest. The Software Provider warrants that no part of the total Value of the Contract shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Software Provider in connection with any work contemplated or performed relative to this Contract.
- E.7. Nondiscrimination. The Software Provider hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Software Provider on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Software Provider shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.
- E.8. Records. The Software Provider shall maintain documentation for all charges against Licensee under this Contract. The books, records, and documents of the Software Provider, insofar as they relate to work performed or money received under this contract, shall be maintained for a period of three (3) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by Licensee, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.
- E.9. Monitoring. The Software Provider's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by Licensee, the Comptroller of the Treasury, or their duly appointed representatives.
- E.10. Strict Performance. Failure by any party to this Contract to insist in any one or more cases upon the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any such term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the parties hereto.
- E.11. Independent Contractor. The parties hereto, in the performance of this Contract, shall not act as employees, partners, joint venturers, or associates of one another. It is expressly acknowledged by the parties hereto that such parties are independent contracting entities and that nothing in this Contract shall be construed to create an employer/employee relationship or to allow either to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one party shall not be deemed or construed to be the employees or agents of the other party for any purpose whatsoever.

The Software Provider, being an independent contractor and not an employee of Licensee, agrees to carry adequate public liability and other appropriate forms of insurance, including adequate public liability and other appropriate forms of insurance on the Software Provider's employees, and to pay all applicable taxes incident to this Contract.

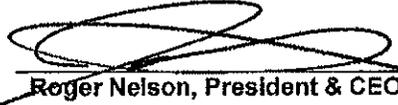
- E.12. State Liability. State shall have no liability except as specifically provided in this Contract.
- E.13. Force Majeure. The obligations of the parties to this Contract are subject to prevention by causes beyond the parties' control that could not be avoided by the exercise of due care including, but not limited to, acts of God, riots, wars, strikes, epidemics or any other similar cause.
- E.14. State and Federal Compliance. The Software Provider shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.
- E.15. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Software Provider agrees that it will be subject to the exclusive jurisdiction of the courts of the State of Tennessee in actions that may arise under this Contract. The Software Provider acknowledges and agrees that any rights or claims against Licensee or its employees hereunder, and any

remedies arising therefrom, shall be subject to and limited to those rights and remedies, if any, available under **Tennessee Code Annotated**, Sections 9-8-101 through 9-8-407. In addition, the parties acknowledge that Licensee is subject to specific requirements under Tennessee law, and therefore cannot agree to:

- a. binding arbitration or mediation
 - b. injunctive relief or the payment of court costs or attorney fees
 - c. limitations of warranty or liability that are not approved under the provisions of T.C.A. 12-4-119 and implementing regulations.
 - d. confidentiality agreements that are inconsistent with the Tennessee Open Records Act, T.C.A. 10-7-504.
- E.16. Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions hereof shall not be affected thereby and shall remain in full force and effect. To this end, the terms and conditions of this Contract are declared severable.
- E.17. Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.
- E.18. Completeness. This Contract is complete and contains the entire understanding between the parties relating to the subject matter contained herein, including all the terms and conditions of the parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.
- E.19. Counterparts. This Agreement may be signed in two counterparts, each of which shall be deemed an original and which shall together constitute one Agreement.

IN WITNESS WHEREOF:

SYSTEM INNOVATORS, INC.:


Roger Nelson, President & CEO

7/13/2006
Date

DEPARTMENT OF FINANCE AND ADMINISTRATION:


M. D. Goetz, Jr., Commissioner

7-20-06
Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:


M. D. Goetz, Jr., Commissioner 52

7-21-06
Date

COMPTROLLER OF THE TREASURY:

John G. Morgan

7/25/06

John G. Morgan, Comptroller of the Treasury

Date

ATTACHMENT A

Software Products

Item	Component Description	Component Investment	Investment Total
iNovah™ APPLICATION SOFTWARE			
1	iNovah Enterprise License		
	Cashiering Volume (unlimited receipts annually)	200,000	\$200,000.
	Other Non-Cashiering Volume (unlimited receipts annually)	60,000	\$60,000.
iNovah Application Software Investment:			\$260,000.

(1) **iNovah™** is licensed based on the Annual Cashiering Volume (the number of receipts processed through the cashiering module) and the Annual Other Payment Volume (the total number of all receipts from non cashiering sources including imports from other payment systems) and. This license includes unlimited seats of all modules. All payments (receipts) processed through iNovah are counted in either the Annual Cashiering Volume or the Annual Other Payment Volume regardless of their source or ultimate disposition. This license includes:

- Annual cashiering volume – unlimited receipts annually
- Annual other volume - unlimited receipts annually

(2) **iNovah** software includes standard interface modules to query other systems for payment information, post detailed payment information and post summary payment information. All software provided under this contract that is not developed using Licensee's money or resources shall be defined as Contractor-Owned Software.



Vendor Baseline Test Suite State of Tennessee

This document is an Acceptance Checklist that will assist the State of Tennessee with the testing of iNovah for acceptance purposes. As each item is tested, check the appropriate box in either the "Pass" or "Fail" column. If any of the items receive a "Fail" designation according to the detail listed in this checklist and in the Implementation Document, please provide details of the incidence in the Comments section on the last page of the worksheet

It is recommended that the State of Tennessee identify test accounts and roles that will be used by the various test personnel. The State of Tennessee should reuse these test accounts throughout the testing process. Bill batches should include a combination of single payment as well as multiple payment transactions.

Pass	Fail	Item
<input type="checkbox"/>	<input type="checkbox"/>	Documentation Requirements iNovah User Documentation has been delivered
<input type="checkbox"/>	<input type="checkbox"/>	Software Delivery Requirements iNovah software executables and software release notes have been delivered
<input type="checkbox"/>	<input type="checkbox"/>	Database Requirements Database has been installed with base data definitions.
<input type="checkbox"/>	<input type="checkbox"/>	Payment Processing Single receipt payments have been successfully processed for each payment type. Multiple receipt payments have been successfully processed. Single receipt payments with multiple

Pass	Plan	Item
		<p>tenders have been successfully processed.</p> <p>Multiple receipt payments with single tenders have been successfully processed.</p> <p>Multiple receipt payments with multiple tenders have been successfully processed.</p> <p>Single receipt payments have been successfully voided.</p> <p>Multiple receipt payments have been successfully voided.</p> <p>Sample receipts for each payment type have been successfully printed.</p> <p>Sample validations for each payment type have been successfully printed.</p> <p>Tender endorsements are correct.</p> <p>Payments can be suspended and resumed.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Peripherals</p> <p>Printers are printing the correct receipt and endorsements.</p> <p>Duplicate receipts and endorsements can be printed.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Batch Management</p> <p>Batches have been successfully closed and balanced and approved.</p> <p>Batches can be reopened.</p> <p>Batches can be adjusted.</p> <p>Batch reports correctly reflect batch</p>

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Pass	Fail	Item
		<p>activities.</p> <p>Cash pickups can be performed.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Security</p> <p>Userids and security levels have been defined.</p> <p>Security levels have been defined to control system access and navigation for each user.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Offline Processing</p> <p>Payments can be collected if the cashiering module is offline.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Reports</p> <p>All base reports have been executed successfully.</p>
<input type="checkbox"/>	<input type="checkbox"/>	<p>Queries</p> <p>Payments can be located using the Browse functionality.</p> <p>Payments can be located using the Find functionality.</p>

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